Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1939

(*Established 22nd September* 1836)

(*Incorporated 18th June* 1924)

BOMBAY
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1940.

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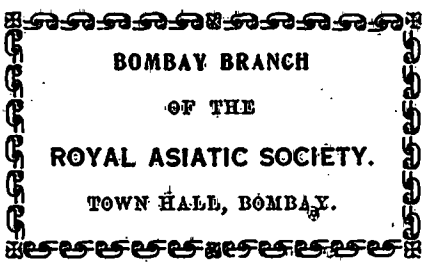

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REPORT

OF THE

COMMITTEE

OF THE

Bombay Chamber of Commerce

133619

FOR THE YEAR 1939

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Presented to the Annual General Meeting held on 20th March 1940.

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Bombay Chamber of Commerce.

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* Mr. A. P. Powles resigned his seat in April 1939 and Mr. G. J. H. Walls was appointed to serve in his stead.

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J. Skinner ..	1839–40	W. F. Hunter ..	1855–56
T. R. Richmond ..	1840–41	A. T. Binny ..	1856–57
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C. H. Armstrong	1907
Sir Henry Procter, Kt.	1908
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Sir Chas. Armstrong, Kt.	1911, 1912, 1913
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Malcolm N. Hogg	1917, 1918
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A. H. Froom	1920
H. P. W. Macnaghten	1921
Sir Frank Nelson, Kt.,	1922, 1923

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V. A. Grantham	1925
Sir Joseph Kay	1926
Sir Leslie Hudson	1927
Sir Hugh Cocke	1928
G. L. Winterbotham	1929
J. R. Abercrombie, M.C.	1930
E. Miller	1931
R. R. Haddow	*1932
Sir Hugh Cocke	*1932
W. G. Lely	1933
G. L. Winterbotham	1934
Sir John Abercrombie, Kt., M.C.	1935
L. A. Halsall	1936
G. H. Cooke	1937
A. McIntosh	1938
A. K. G. Hogg	1939
C. P. Bramble	1940

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J. E. Brenan	1838
R. X. Murphy	1838–41
T. J. A. Scott	1841–46
John Connon	1846–57
John Mawson	1857–59
J. A. Crowe (Acting)	1858–59
H. Brooke	1859–64
James Taylor	1864–73
John Gordon	1873–84
David Watson (Acting).	1881–82
John Marshall	1884–98
Frederick Noel Paton.	1898–1905
J. B. Leslie-Rogers	1905–1911
R. E. Gregor-Pearse.	1912–1920
C. B. Sayer	1921–1925
R. J. F. Sulivan	1925–1937
C. H. Courthope-Munroe —Appointed 1937.	

* Part year.

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Bombay Chamber of Commerce

ANNUAL GENERAL MEETING

THE Annual General Meeting of the Members of the Bombay Chamber of Commerce was held in the rooms of the Chamber, Mackinnon Mackenzie and Company's Building, Ballard Estate, on Wednesday, 20th March 1940, at 11-30 a.m. to transact the following business :—

1. To adopt the Report of the Committee of the Chamber for the year 1939.
2. To confirm the nomination of the members of the Committee of the Chamber for the year 1940-41 in accordance with the provisions of Article 37 (*g*).
3. To appoint Auditors of the Chamber's accounts for the year 1940 and to fix their remuneration.

Any other business that may be brought forward.

Mr. A. K. G. Hogg, President of the Chamber, presided and was supported by Mr. C. P. Bramble (Vice-President), Messrs. W. A. Bell, J. M. B. Gibbons, L. A. Halsall, G. J. H. Walls and Neville N. Wadia, Members of the Committee.

Among those present were :—

His Excellency Sir Roger Lumley, G.C.I.E., T.D., Governor of Bombay ; Sir Gilbert Wiles, K.C.I.E., C.S.I., I.C.S., Mr. J. A. Madan, C.S.I., C.I.E., I.C.S., Mr. H. F. Knight, C.I.E., I.C.S., Advisers to H. E. the Governor ; Mr. P. N. Chandavarkar, Collector of Customs ; Mr. J. R. Trevor Booth, C.I.E., I.C.S., Postmaster-General ; Mr. W. D. M. Clarke, H. M. Trade Commissioner ; Captain H. L. Davis, R.I.N., the Principal Officer, Mercantile Marine Department, Bombay District ; Lt.-Col. A. J. Ransford, C.I.E., R.E., the Mint Master ; Mr. F. A. Borissow, the Docks Manager, Bombay Port Trust ; Capt. A. G. Kinch, D.S.O.,

the Deputy Conservator, Bombay Port Trust ; Mr. D. N. D. Khandalavala, Chairman, Bombay Fire Insurance Association ; The Acting Consul for Egypt ; The Consul for Iraq ; Mr. M. H. Kantawala, the Ceylon Trade Commissioner for India ; Mr. V. N. Chandavarkar, and Mr. T. Maloney, Bombay Millowners' Association.

The following members of the Chamber attended the meeting :—

Mr. G. A. H. Alexander ..	Alexander & Co.
,, N. Stenhouse ..	Andrew Yule & Co., Ltd.
,, W. H. Rooksby ..	Asbestos Cement, Ltd.
,, W. J. Ballantyne ..	
,, N. C. E. Brander ..	W. & T. Avery, Ltd.
,, W. H. Jackson ..	Blackie & Son (India), Ltd.
,, A. L. Hutson ..	The Bombay Company, Ltd.
,, L. F. H. Goodwin ..	
Sir Ness Wadia, K.B.E., C.I.E.	Bombay Dyeing & Mfg. Co., Ltd.
Mr. W. T. Lane	Bombay Gas Co., Ltd.
,, L. W. Boulter ..	
Sir Joseph Kay, Kt. ..	W. H. Brady & Co., Ltd.
Mr. R. L. Ferard ..	
,, G. H. Richmond ..	Burmah-Shell Oil Storage and Distributing Co. of India, Ltd.
,, H. C. D. Irwin ..	
,, R. C. Summerhayes. .	
,, W. J. Burrows ..	W. J. Burrows.
,, Nurmahomed M. Chinoy	F. M. Chinoy & Co., Ltd.
,, W. G. McKee ..	P. Chrystal & Co.
,, E. Abrizzoni	Ciba (India), Ltd.
,, J. Ward	Corn Products Co. (India), Ltd.
,, C. W. Warrington ..	Cox & Kings (Agents), Ltd.
,, D. Watson	Duncan Stratton & Co.
,, W. A. Nielsen ..	The East Asiatic Co., Ltd.
Capt. J. C. Richards ..	Ericson & Richards.
Mr. B. J. Whitby ..	A. F. Ferguson & Co.

Mr. C. F. Morris ..	James Finlay & Co., Ltd.
,, Ardeshir Rustomji ..	Fleming Shaw & Co., Ltd.
,, R. W. Bullock ..	Forbes Forbes Campbell & Co., Ltd.
,, B. O. Stevenson ..	Ford Motor Co. of India, Ltd.
,, G. E. Corey	
,, A. J. Emery	General Electric Co. (India), Ltd.
,, T. Sinclair Kennedy .	Glenfield & Kennedy, Ltd.
,, A. McIntosh	Greaves, Cotton & Co., Ltd.
,, S. F. Christie ..	Grindlay & Co., Ltd.
,, G. R. Thom ..	Guest Keen Williams, Ltd.
,, F. Moore	W. T. Henley's Telegraph Works Co., Ltd.
,, C. A. S. Foulkes ..	The Imperial Tobacco Co. of India, Ltd.
,, V. F. Noel Paton ..	Killick Nixon & Co.
,, E. F. Soprani ..	Lloyd Triestino Navigation Co.
,, S. E. C. White ..	Lloyds Agency, Bombay.
,, C. E. Leman ..	Mackinnon Mackenzie & Co.
,, G. E. Bain	
,, I. B. Scott	
,, I. H. Anderson ..	
,, W. E. Petrie ..	
,, S. M. Osborne ..	
,, G. R. Dods	
,, H. A. Haverson ..	
,, A. J. M. Crichton ..	
,, C. P. Simpson ..	
,, J. E. MacArthur-Moir	
,, G. W. Gosling ..	Martin & Harris, Ltd.
,, Cavasji Cursetji Dalal	Moolji Jaitha & Co.
,, J. W. Malone ..	Morris Industries (India), Ltd.
,, H. W. Fieth	Parke, Davis & Co.
,, M. Paspatti	Ralli Bros., Ltd.
,, A. J. Panas	
,, J. Scott-Ferguson ..	Remington Rand, Inc.
,, F. S. Woodcock ..	Richardson & Cruddas.

Mr. A. Pether	David Sassoon & Co., Ltd.
,, C. A. Cunliffe ..	Shaw Wallace & Co.
,, D. E. Gough ..	Society of Motor Manufacturers and Traders, Ltd.
,, L. A. Stronach ..	L. A. Stronach & Co. (India), Ltd.
,, W. L. A. Radcliffe ..	Turner, Morrison & Co., Ltd.
,, A. W. C. Brown ..	
,, T. R. Dow	
,, J. G. Turner ..	
,, C. O. Fountain ..	
,, J. Vonesch	Volkart Bros.
,, R. Scherer	
,, C. F. Buser	
,, H. P. Cumming ..	Wallace & Co.
,, S. O. Sundgren ..	Western India Match Co., Ltd.
,, B. A. Thorstenson ..	
,, W. M. Martin ..	Wolverhampton Works Co., Ltd.
,, D. Laidlaw	Chartered Bank of India, Australia and China.
,, A. McCulloch ..	Imperial Bank of India.
,, J. T. Alexander ..	
,, William Kerr ..	National Bank of India, Ltd.
,, L. Randall	Atlas Assurance Co., Ltd.
,, C. R. C. Gardiner ..	New Zealand Insurance Co., Ltd.
,, B. N. Gilbertson ..	
,, H. Chamberlain ..	Sun Life Assurance Co., Ltd.
,, C. R. Agar	Yorkshire Insurance Co., Ltd.
,, G. C. Laughton ..	B. B. & C. I. Railway.

Mr. C. H. Courthope-Munroe, Secretary, and Mr. H. Royal, M.B.E., Assistant Secretary of the Chamber.

The notice convening the meeting having been read, MR. A. K. G. HOGG, in opening the proceedings, said :—Your Excellency and Gentlemen,—The privilege has fallen to me of moving the adoption of the annual report of the Chamber for 1939 and in rising to do so I should like to

express the pleasure I feel in welcoming on your behalf the presence here this morning of His Excellency the Governor, whose attendance at our annual meetings is a much appreciated honour. It is also my very pleasant task to extend a welcome to the other visitors who have been so good as to attend here to-day.

War.

Since the last annual general meeting of this Chamber the catastrophe of War has descended upon us and has provoked a situation overshadowing all others in its far-reaching effects upon the commerce of Bombay.

Provincial Governments.

In this country opinion is unanimous as to the justice of our cause and to the compelling nature of the motives that have actuated us in entering the War. Both in the Indian States and in British India, public feeling is wholeheartedly behind our objectives, namely, the destruction of the method of Nazi Government as evinced by Hitlerism and the re-establishment of the sanctity of the pledged word and of treaties between nations. There can be no question that India is concerned in the highest degree both in the material and political sphere in the success of the Allies and it is all the more deplorable, therefore, that at this crucial period the Congress Provincial Governments have thought fit to resign and that the emergency provisions of the Government of India Act have had to be brought into force in seven out of the eleven Provinces. The decision of the Congress Government to quit office at this time is particularly difficult to understand, when from the point of view of self-interest alone, it might have been supposed that they could, as the majority party, have exerted the greatest influence on legislation.

I cannot pretend that we as a Chamber have seen eye to eye with Congress in all the legislative measures that they have promoted—as a matter of fact certain measures have been strenously opposed—but at the same time I

think it cannot be gainsaid that British commercial interests in Bombay have endeavoured to co-operate with Congress Ministries to the best of their ability.

Federation.

It is also a matter of profound regret that the outbreak of war has left no choice to the Governor-General but to hold in suspense preparations for Federation. Federation is the stepping stone to the realisation of Dominion Status for India and this, as has been repeatedly stated, has always been the ultimate intention of His Majesty's Government. The British commercial community has on various occasions expressed its support of Government and its firm belief that this policy represents the best contribution that can be made to the achievement of the political and constitutional unity of India.

Economic Trend.

The year 1939 opened with prospects which were anything but bright and the position continued unpromising until the very eve of war. India's total foreign trade in merchandise for the previous fiscal year was the smallest for the last three years, and consequently the current year started with the unsatisfactory background of general economic depression. A slight improvement in both imports and exports mainly attributable to apprehensions of war breaking out was however visible during the summer months, but commodity prices continued to remain low except in the case of sugar. Raw cotton had difficulty in finding a market, whilst the textile industry passed through a major crisis with high stocks and low consumption. An organised attempt was made to restrict production but this failed to achieve success and the crisis in the textile industry would have continued unabated had it not been for the outbreak of war. This brought not only an immediate decline in the value of sterling currencies but also memories of the boom conditions that prevailed towards the end of the Great War. With increasing internal demand and considerable Government orders for war equipment to encourage

this change of sentiment, the industrial outlook improved and export figures for the month of November touched the highest point since July 1937 and by the end of the year the final figure of the total visible balance of trade in merchandise and treasure showed an improvement of 25 crores over the year 1938.

In the last two months of the year a wave of speculation exploited the improved conditions and carried commodity prices to an absurdly high level. Undue optimism has been succeeded by what I hope is undue pessimism but the fact remains that with excessive production, disparity between cotton and cloth prices and demands from labour for increased wages culminating in the present strike, the position of the textile industry is as bad as it was in August. It is difficult to account satisfactorily for this state of affairs. The cultivator has undoubtedly received some benefit from the increased prices which his crops have realised ; and it is to be hoped that, when markets have recovered from their attack of economic indigestion, a better demand from the ultimate consumer will make its effect felt.

Constant enquiries are being received from buyers in Australia and East Africa who have come to India looking for new sources of supply and a major opportunity is offered to those Indian industries with export and internal demand possibilities. There will be competitors who will naturally make every endeavour to capture the trade of the belligerent countries and it is therefore all the more important that every endeavour possible should be made to gain a permanent footing in these and other markets. With this end in view official and non-official investigations are going on in order to determine the possibilities of starting new industries and generally increasing India's export trade, the outlook for which at the present time is particularly favourable.

Central Government Budget.

The war budget of the Central Government which was awaited with some trepidation is, as I think most of us will agree, a very fair one—the increased duty on sugar and petrol affects all classes of society and the deficit if not met in one way would have had to be found in another. Indirect taxation is always in practice an easier burden to bear.

Excess Profits Tax.

Commerce and Industry are now faced with an Excess Profits Tax framed on lines similar to that in existence in the United Kingdom which Government estimate will bring in Rs. 3 crores. This tax, during the last war, was not levied in India except for one year, and then only after hostilities were terminated, and although on the broad grounds of public policy we as a Chamber support the principle that profits derived from the present war should be taxed, we have stressed in our representations the view that up till the outbreak of hostilities, no abnormal profits have been made in India and that there is no parallel between the conditions prevailing in the United Kingdom where a vast armament programme had been in progress for many months, and those in this country. We have therefore urged that the Excess Profits Tax should not apply to profits earlier than those made during a chargeable accounting period commencing from September 1st 1939 and that the accounting year 1938-39 should be included as a basic year for the purpose of fixing standard profits. We have also made a number of recommendations on the details of the Bill of which members of the Chamber have been kept fully advised and I am glad to see that the Bill as it has emerged from the Select Committee includes many of our suggestions.

As you will easily understand matters with which in normal times the Chamber is accustomed to deal, have been overshadowed to a very great extent by problems arising from the war, so before dealing with the more general work

I propose giving a brief outline of the Chamber's activities which can be directly attributed to this cause.

Emergency Register.

Owing to the general uneasiness that prevailed in the early part of last year certain precautions were already under way, and among the first of these I may mention the compilation of the Emergency Register. The institution of this Register, by the European Association, received the full support of the Chamber and consisted of a register of civilians available or likely to be available for service in the various branches of the Army, Navy and Air Force. It has proved of very considerable value to the authorities concerned when the question arose of granting war commissions, a matter to which I shall refer later.

Foreigners Act.

Early in the year also the Government of India obtained statutory powers by the passing of the Registration of Foreigners Act to enable them to collect information of the numbers and movements of foreigners. The Chamber submitted recommendations on the rules drafted under this Act, which were in the main accepted and the existence of this legislation cannot fail to have been of considerable assistance in rounding up enemy aliens at the outbreak of war.

Staff on Leave out of India.

The Defence Co-ordination Department of the Government of India requested the Chamber to advise their members of a proposal to list individuals of the staffs of commercial and industries undertakings on leave in the United Kingdom whose early return to India was vitally necessary in the event of the outbreak of War, and for whom priority passages should be reserved. This provision has also proved of value.

A.R.P. Organisation.

Another precautionary measure, initiated by the European Association and supported by the Chamber, has been the setting up of a body to organise the community in measures of A.R.P. Fortunately, we have so far been free from attacks by air or sea, but it is satisfactory to know that a live organisation is in existence should such a calamity occur and I take this opportunity of thanking the gentlemen representing the Chamber on this organisation who have so willingly given their services.

Registration of British Subjects.

With the war becoming imminent in August, the Government of India took steps to provide, by an Ordinance, for the registration of all European British subjects and at the same time approved the formation of National Service Advisory Committees in different areas to advise the Military Authorities on the question of the recruitment of the individual and to reconcile the needs of the Military with those of industry, trade and commerce.

National Service Advisory Committee.

It is the view of Government that in addition to supplying men for the fighting forces the European commercial community in India can play an effective part in the successful prosecution of the war by maintaining supplies of foodstuffs and other essential commodities to all parts of the Empire and to France and that it is of vital importance that India's import and export trade shall be maintained on a basis equivalent to peace time conditions. I have had the honour of representing the Chamber and acting as Chairman, on the Committee set up in Bombay and together with the representatives of the various other bodies who form its personnel, we have examined and classified a number of applications for temporary commissions which have been duly passed on to the General Officer Commanding the Bombay District.

Recruitment.

I believe that some disappointment has been experienced in the earlier months owing to Government's apparent delay in reaching a decision as to the numbers of officers required but I understand ninety-six officer cadets for the Army and thirty-six for the Navy have already been called up for training from Bombay and it is contemplated that more will be required in due course.

Leave ex-India.

In furtherance of Government's recruiting scheme an Ordinance was issued shortly after the outbreak of war prohibiting male European British subjects between the ages of 16 and 50 from leaving India. This has, however, since been modified, as it was found unduly strict, and I understand that permission is now not ordinarily refused if the applicant has some good reason for leaving India and intends to return.

Supply of Technical Labour.

The Defence Co-ordination Department has also taken an interest in the question of maintaining in war time an adequate supply of skilled Indian labour where that labour can most usefully be employed in the interests of the country at large. The intention is, firstly, to ensure that industrial and commercial firms, particularly those of national importance, shall maintain easy and continuous working and thus be able to cope with any additional demands of Government and secondly, to collect statistics to enable Government to secure for their own purposes certain type of skilled labour. The President of the Employers' Federation of India, Sir Homi Mody, held an informal conference at which this Chamber was represented and it has been agreed that members of the various Associations represented who employ large numbers of skilled technical labour shall prepare statistics which will be put at the disposal of Government, if and when needed.

Censorship.

At the outbreak of war stringent censorship regulations were introduced. Various complaints from members were received by the Chamber, among which were objections to the inclusion of the sender's name in clear language in foreign telegrams, the difficulty of obtaining permits for the despatch of samples and parcels, and particularly the abolition of the use of codes. Col. Russell Jones, Chief Censor for India, was good enough to attend a meeting in the Chamber during November when these and other points were raised, and I am glad to say that since the 1st of January of this year, permission has been granted for the use of certain telegraphic codes and it is to be hoped that the other restrictions will be relaxed as time goes on.

Port Trust Concessions.

As a concomitant of war conditions difficulty has been experienced by importers in obtaining delivery of goods lying in the Docks, owing to late receipt of the relative documents by mail. The Chamber represented the matter to the Bombay Port Trust Authorities and I take this opportunity of acknowledging the concessions which they have been good enough to sanction in such cases.

Goods on Enemy Vessels.

Immediately following the outbreak of hostilities, a Special Sub-Committee was set up in the Chamber to consider what action could be taken to safeguard the rights of members owning cargo on board enemy vessels which had taken refuge in neutral ports, and in particular in the three Hansa Line ships which were known to be in Marmagoa in Portuguese Indian territory. Representations were at once made through the Provincial Government to the Central Government, and reference was also made to the London Chamber of Commerce. In the first place as a result of the action taken by this latter body

the Board of Trade and later the Government of India issued a Notification authorising the owner of any cargo in an enemy ship which had taken refuge in a neutral port to pay freight and other necessary charges to enemy shipowners for the purpose of obtaining possession of his cargo. Since then, however, both these Notifications have been cancelled by the respective Governments and the London Chamber of Commerce has alone been authorised to negotiate on behalf of all interests with the German shipowners. The shipowners have been claiming as much as 25 per cent. of the invoice value of the goods as refuge expenses, a charge which we and the London Chamber of Commerce considered as wholly unwarrantable. Information has however recently been received that these negotiations have broken down and I understand that the London Chamber of Commerce with the approval of His Majesty's Government are now instituting legal proceedings in the neutral countries concerned for recovery of the goods.

Registration of Trade Marks.

Turning now to the more normal activities of the Chamber I should like to refer to a measure of great commercial importance which has been dealt with during the current year namely the Bill for the Registration of Trade Marks in India. This has been under discussion for many years and it is satisfactory that legislation has a few days ago been enacted. Last year the Chamber made a comprehensive representation to Government on a draft Bill drawn up by Mr. R. K. Nehru, I.C.S., and after consideration of the various opinions received thereon Government introduced in the Central Legislature a Bill in a revised form. Some of the Chamber's suggestions have been included but a further commentary with recommendations on points in the revised Bill to which the Committee still thought it necessary to draw attention, has again been submitted to Government.

I will not go into any detail here as this can be found in the report before you, but as there seems to be a certain

amount of misunderstanding in some quarters I should like to emphasize that the fact of this Bill becoming law will not in any way affect the established right of 'prior user' as the mere registration of a trade mark does not do away with this right until the trade mark has been on the Registry for a period of at least ten years.

Motor Vehicles Act.

The Indian Motor Vehicles Act, 1914, was repealed on July 1st, 1939, and the Motor Vehicles Act, 1939, has come into operation from that date. You will remember that the Bill on which this Act is based was given very careful examination by the Committee of the Chamber before going to the Select Committee. On its emergence from this body it was again examined by the Special Sub-Committee who requested the European Group at the Centre to reiterate their objections against the fixation of maximum and minimum fares and freights, the restrictions on the provisions and operations of motor vehicles by private interests and the failure to legislate for the compulsory use of safety glass. Representations were duly made but I am sorry to say met with no success.

Prohibition.

I mentioned earlier that we as a Chamber did not see eye to eye with the Provincial Government on some of the measures they had endeavoured to or had succeeded in introducing. Notably, of course, has this been so in the case of Prohibition. This, your Committee wholeheartedly opposed, firstly, on the grounds that it was manifestly unjust that the trade of the city and the livelihood of a very large number of its citizens should be jeopardised in an attempt to enforce a view of private conduct which when attempted in other countries had signally failed, and secondly, on the effect that its introduction would have on the financial stability of the Province. For several years past the diversion of trade from Bombay to other ports on the West Coast has been a cause of

anxiety and the policy of Prohibition cannot fail to affect adversely the considerable trade in wines and spirits which normally arrive in Bombay for distribution throughout India.

Urban Immoveable Property Tax.

To compensate for the expected loss in revenue due to prohibition, two legislative measures were introduced which met with the strongest opposition from many quarters. The first of these was the Urban Immoveable Property Tax which imposed a levy of 10 per cent. on the rateable value of houses and lands in Bombay and Ahmedabad. The Chamber's representative in the Legislative Assembly opposed this tax on the grounds that it was consequent only on the introduction of prohibition, a policy of which the Chamber had already expressed disapproval. The law was duly passed and brought into force, but the validity of the tax was immediately questioned in the Courts. The High Court delivered a decision to the effect that the levy of the tax was valid, but at the same time permission to appeal to the Federal Court was granted, and this decision cannot therefore be regarded as entirely final. The Chamber advised its members that if they were called upon to pay this tax and decided to do so, payment should be made only under protest.

Sales Tax Act.

The second instance was the Sales Tax Act. The object of this tax was to enable Government to levy a tax on sales of motor spirit and manufactured cloth. The Chamber expressed its opposition to the Bill except with the inclusion of such far-reaching amendments as entirely to change the form of the Bill; it was however passed and received the assent of the Governor on the 14th of April and the tax on motor spirit was almost immediately brought into force. This being a tax that could be applied at source did not present any considerable difficulty, but the tax on manufactured cloth was a very different affair. In this case it was proposed to license every trader, including wholesale and retail traders, commission

agents, brokers, all employees of firms receiving a commission on sales, and even hawkers, and all of these were to be compelled to furnish a return of their sales in manufactured cloth. The draft rules were examined by your Committee who opposed them both in principle and in detail. The position was still under the consideration of the Congress Government at the time of its resignation, and we have been much relieved to read a Notification issued by the Governor of Bombay in consultation with his Advisers to the effect that it has been decided in the interests of trade not to proceed with the sales tax on manufactured cloth.

Domestic Affairs.

Chamber's Accounts.—Before concluding my remarks I should like to touch on one or two domestic affairs. Firstly, as regards the Chamber's accounts I am glad to be able to record a successful year's work and you will see that there is a reasonable surplus of income over expenditure. This surplus may well be needed in the coming year. We have had 15 resignations from the Chamber which have been replaced only by 8 newly elected members. This means a nett loss of 7 and a consequent reduction in subscriptions. Furthermore the same revenue from the Chamber's statistical returns cannot be expected in the future as much of the information previously supplied to members is now forbidden by Government and some of the returns have to a certain extent lost their value to subscribers. We must also expect a much reduced revenue from certificates of origin the receipt for which this year were over Rs. 10,000.

Office Accommodation for Measurement Staff.—We have had one exceptional expense this year in connection with office accommodation for the Measurement staff in the docks. This is provided in five temporary constructions, two of which have certainly been in existence for the last 38 years. They were naturally in a very bad condition of repair and apart from this the need for additional accommodation has been felt. We therefore arranged for the

carrying out of extensive repairs and the provision of one extra office at a total cost to the Chamber of about Rs. 3,000.

Retirement of Mr. V. C. Boult.—Mr. V. C. Boult, the Superintendent of the Measurement Staff has just completed 35 years' service with the Chamber and I should like to take this opportunity on behalf of the members of the Chamber to thank him for his long and faithful service and to wish him health and prosperity in his well-earned retirement.

My term of office ends to-day and in handing over to my successor I do so with the utmost confidence. You have chosen as your new President, Mr. C. P. Bramble, and with him at the helm of affairs I have no doubt that the best traditions of the Chamber will be maintained. Mr. J. M. B. Gibbons, who has been elected your Vice-President, has already made his mark as a member of the Committee and to him and the rest of my colleagues I tender my sincere thanks for their valuable assistance, advice and support, during the past year. I also thank the various Standing Sub-Committees, the Special Sub-Committees and the Chamber's representatives on the different public and other bodies, who have so freely given their services. In conclusion I wish to record my appreciation of the efficient manner in which the Secretary, the Assistant Secretary and the staff have fulfilled their duties. I now beg to propose that the Report of the Bombay Chamber of Commerce for 1939 be adopted and confirmed.

MR. C. P. BRAMBLE, M.L.A., the Vice-President, said :—Your Excellency, Mr. President and Gentlemen,—It is for me to second the adoption of the Report.

In accordance with practice the President has alluded to most of the important subjects which have engaged the attention of the Committee during the past year. I count myself fortunate that among the residue, which must be mentioned, are two of considerable complexity but of which I have some first hand knowledge.

Unitary control of the Cotton Trade and the control of cotton options are not unconnected with one another. For the purpose of my remarks to-day, however, they may be considered quite separately. The desirability of unitary control in the cotton trade has been continuously discussed throughout the last two years by the Government of Bombay and the Associations directly concerned; while the control of options has acquired particular importance only by the circumstance of the war.

The welding into one body of the existing Associations which regulate trading in cotton is obviously desirable in principle. It is also expedient from Government's point of view, because it would facilitate the collection of a tax on forward contracts—and the intention of imposing such a tax has been referred to in recent budgets. Again from the commercial standpoint and, indeed, from the commonsense point of view, the vesting in one association of the functions now fulfilled by two or more parallel associations must in theory command support.

In the words of your Committee of 1938, unitary control was the ideal, provided that it had developed by its own strength and grown into a generally accepted control, supported by sanctions devised by the trade itself. Implicit in this statement of opinion was the repudiation of any merger scheme which relied on the imposition of a penal clause. That is to say, the mere fact of trading in forward contracts outside the auspices of the East India Cotton Association, Ltd., should not be treated as a breach of the criminal law. Such trading might be void in law. If executed by a person himself a member of the East India Cotton Association and so subject to its bye-laws, it might reasonably lead to his being fined or expelled from the Association. But it should not be regarded as an offence against the State.

In reiterating these opinions in 1939 your Committee expressed the view that the East India Cotton Association's inability to control its own members was no reason for

entrusting still greater power to that Association and creating, in effect, a monopoly. And the Committee criticised the existing constitution of the East India Cotton Association which, moreover, would become even less satisfactory as the result of the proposed merger with the Shri Mahajan Association. The proper functioning of the Bombay cotton market is a matter directly affecting the interests of cotton growers, merchants and manufacturers all over India. The Committee appreciating this, had pointed out in previous correspondence that the passing of legislation with the object of controlling trading in the Province of Bombay would result, if it were of a penal nature or harsh in its application, in the setting up of cotton associations elsewhere and particularly in Indian States. And they now submitted the opinion that the Government of Bombay should seek the views of the Indian Central Cotton Committee before any such legislation was attempted.

In fairness to the East India Cotton Association it must be remembered that the necessity of regulating options was recognised and the requisite By-laws were actually passed by the trade—though not approved by Government—several years ago. The extremely sharp advance in cotton prices experienced immediately after the outbreak of war led the Government to promulgate an ordinance making business in options void in law. The primary object of the ordinance was to put an immediate stop to the transactions of fresh options in cotton. It was also intended to enable Government to issue new By-laws for the regulation of the cotton contracts generally without following the lengthy procedure prescribed under the Bombay Cotton Contracts Act of 1932.

The ordinance came automatically to an end after six weeks ; and the Government resigned shortly afterwards, without having embodied the provisions of the ordinance in legislation. As the situation seemed in November to be more dangerous than ever, your Committee addressed the Government of Bombay in the matter. The view expressed

was that, while in usual times dealings in options might well perform a useful service in providing a broad market, it was nevertheless in the best interests of the trade that they should now be discouraged, and that, to this end, they should once again be declared void. In arriving at this opinion the Committee were influenced by two important considerations. First, that the existence of a large option interest causes an exaggeration in the prevailing tendency of a market—whether it be upwards or downwards. Secondly, that there is a grave danger of option dealers over-reaching themselves and becoming insolvent, because the risk which they shoulder is not one which can be hedged or guarded against with any precision. It is possible that, by a more rigorous control of the working of the cotton market, such as the institution of weekly settlements in the Clearing House, the more drastic step could have been avoided; but the matter was regarded as urgent and the Committee's proposal was probably the only way of meeting a serious situation.

My own impression, for what it is worth, is that fresh business in options, although still undertaken by certain parties, is on a much smaller scale than formerly. Were this not so, the recent decline in Broach might well have exceeded Rs. 80 per candy, which was the actual drop recorded, and have precipitated a crisis.

The Bombay Shops and Commercial Establishments Bill which was passed during the year may well be regarded as having special significance for members of this Chamber; as an attempt to exclude commercial establishments from the terms of the Bill was rejected. At the same time it was made clear by the Government spokesman that the abuse mainly sought to be remedied was that of overworking their employees by small shopkeepers. The knowledge that the members of the Chamber ordinarily asked less service of their staffs than was permitted by the provisions of the Bill made it all the easier for the Committee to approve of the legislation in most details as well as in principle.

An important amendment moved by your representative and accepted by Government was the increase from 60 to 120 hours in the total of overtime permissible in one year.

It has been said of the Bill that it is one of those the passing of which reflects credit on its sponsors but may well bring every succeeding Government into disrepute. Some justification for this criticism is to be found in the duty imposed on Municipalities and Local bodies to maintain the staff of inspectors, while the corresponding right to the fines which result is vested in the Provincial Government.

If, before I finish, I may intrude a personal opinion into my remarks, it would be on the cost of the war and the necessity of conserving our resources—those of individuals as well as of firms.

At a time when our friends and relatives in England are suffering privations, we naturally do not choose to keep up our usual standard of rather extravagant living. But, quite apart from this, there is the consideration that by exercising care now we may find ourselves in a position to help not only ourselves but our fellow countrymen when Bombay is one of the few moderately affluent places left in an impoverished world. The opportunity exists perhaps more for the individual than for the firm, but as an instance of co-operative effort I would bring to the notice of all the recent formation of the Hospital and Nursing Home Benefits Association. Briefly, this is a mutual insurance Association which, in return for a small but a regular subscription provides entirely free medical treatment in cases where recourse to a hospital is necessary.

The success of similar associations in England has been phenomenal and it is hoped that eventually the scheme will be widespread in India. It is clear that group insurance must achieve a reduction in the premia ordinarily asked. More important than this is the fact that the growth

of the Association to, say, 1,200 subscribers, in receipt of one lakh of rupees a year, will facilitate the building of a new cottage hospital or nursing home.

I will not detain you longer with my views, except to say that I regard it as an honour that you should have elected me your President.

I now have the pleasure in seconding the adoption of the annual report.

The report was adopted unanimously.

His Excellency the Governor said :—Mr. President and Gentlemen—Once again it is my privilege to address you on the occasion of your Annual General Meeting : but we meet to-day in vastly differing circumstances.

When I spoke to you, just over a year ago, it was still possible for us to hope that the incredible folly of war would not be launched upon the world. It was still not an altogether fantastic hope, at that time, that Hitler meant what he said and that, once he had attained the object of incorporating predominantly German populations within the Reich, he would have no further territorial ambitions in Europe and would live in peace with his neighbours. We have known now for about a year how wrong were those expectations, and we have seen how those hopes have been belied : and we meet this year engaged, for the second time within the memories of all of us, in a great war.

We must not underrate the nature of this struggle, and above all we must not be too timid, or too short-sighted or too prejudiced to see what is at stake. It is not a territorial boundary which is at stake : it is not an affair which interests Europe alone : it is not only the existence of the British Empire which is threatened. This is a struggle between the hopes of mankind for a better life and the reactionary forces of evil—violence, godlessness, slavery of the mind, persecution, deceit—as we have seen them practised under Nazism. It is a struggle between the old

system of force, which Hitler is trying to resuscitate, and the growing desires of nations and individuals for peace, toleration and liberty: the one championed by a ruthless dictator, the other by a Commonwealth of Nations. It was, there can be no doubt, the perception that this was the fundamental issue at stake that drove the British people reluctantly, for they prefer peace and knew well the cost, to take up arms, with the unity and determination of conviction. Many throughout India share this conviction. Others we see around us who may not yet have this perception so clearly: their own problems may, for the moment, loom larger. We can be patient and endeavour to help them in their difficulties, but no one can hope to escape for long from this main issue which is before the world, and it is not in our power to alter the verdict which history must give on those who, failing to recognise a supreme crisis in world affairs, hang back and thereby make more difficult the task of those who are throwing everything—life, fortune, destiny—into the effort to save the world from slipping back into the morality of the dark ages. We shall need to keep sight of the real nature of this war, particularly when peace offensives are launched, and guard against a patched-up peace which would bring no lasting peace. Then, too, we must have no illusions as to the magnitude of the effort which the Allies must make in order to achieve victory. The Allies have, as we can see, realised from the beginning of this war that it has to be fought on a totalitarian scale, that is to say that it is not only the fighting forces who have their part to play, but industry as well, and commerce: in fact, every activity of the two nations is being directed towards the common goal. It is not surprising, therefore, that your President's speech dealt largely with problems arising out of the war, and I must, at this stage of my remarks, convey to you my very sincere appreciation of the manner in which your Chamber has co-operated with the various authorities concerned in the war effort of this country. If I may, I would single out your assistance in the registration of

British subjects and in the activities of the National Service Advisory Committee. The totalitarian character of the present conflict presents problems of a difficult and far-reaching character, problems on which the advice of your Chamber is particularly valuable. Your younger members and employees are properly anxious to serve in the armed forces of the Empire, but it is for those who can survey the whole field of conflicting claims to determine where lies the duty of each individual. It cannot be denied that in the last war lack of forethought and organisation led to much unnecessary and even criminal waste of specialist knowledge and experience. Let us learn from tragic experience to eliminate as far as possible the errors of twenty-five years ago.

This is, as I have said, a totalitarian war, and certain economic consequences have already become evident in the trade of India. The struggle hitherto has been in the main economic, and whatever the future course of events may be, production and supply will always play a dominant, perhaps a decisive part, in the final outcome. An intensive, even an aggressive, policy in respect of trade and industry is called for in the conduct of the economic warfare against Germany. I am glad to know that your Chamber is participating in surveys of war-time requirements, and I am confident that as objectives are determined your members will not fail to do all that lies in your power to capture them. It is my hope that out of the evil of war may come some permanent good to the trade and industry of India and to the economic standards of her peoples. The war has already imposed considerable burdens on the Central Government, and I welcome the manner in which you, Mr. President, have referred to the burdens which the Central Budget seeks to impose and to the proposals for a tax on War Profits now under the consideration of the Legislature. Your attitude in these matters makes it abundantly plain that your Chamber has no wish to avoid meeting its share of the price we must all pay if the cause in which we are engaged is to triumph. And here I must

express my fullest agreement with the remarks of your Vice-President on the necessity for conserving our finances. In times such as these, there is no room for extravagance, and it behoves each one of us not to lag behind in the efforts which are being made elsewhere to provide the sinews of war.

Your President has referred to the resignation of the Provincial Ministry. Nobody regrets more than I do that a Ministry commanding the confidence of the Provincial Legislature is not available to bear the burden of administration, and that the progress of provincial autonomy has been interrupted. You are all aware of what has been done in the attempt to resolve differences of opinion. The attitude and objects of His Majesty's Government are not in doubt. They have been plainly stated on various occasions by responsible Ministers and by His Excellency the Viceroy. I will to-day confine myself to expressing the hope that wisdom may shape the course of events before India.

As a result of the suspension of the Constitution, I am responsible for the whole field of provincial administration. I am glad, therefore, to be placed in possession of your opinions on the matters within the provincial field to which your President and Vice-President have referred, and I would like to assure you that they will receive that consideration which balanced criticism coming from a body such as yours always requires.

The Provincial Budget was published yesterday. It will be found to contain no surprises. It has been framed so as to maintain, as far as possible, those policies which had received the approval of the Legislature. It will be seen that that object has in the main been achieved, but only with difficulty, and it has not proved possible either to alleviate the burden of taxation or to meet many of the pressing needs of the Province. I am, of course, aware that strong opinions are held in favour of the extension of policies the reversal of policies and the reduction of taxation. I regret my inability to satisfy all those different opinions.

In the peculiar circumstances in which the present Government is carrying on, expecting, as I did from the outset, that the suspension of the Constitution would be of short duration, I have followed hitherto what has seemed to me the only practical course in the circumstances—that of maintaining in its major aspects the *status quo* in order that the next Ministry should have a fair field. It must, however, be obvious that, as time goes on, fresh considerations are bound to arise which must receive the attention of whatever Government is in power. In deciding such matters of policy my Government, of course, can be under no other obligation than that of promoting the peace and prosperity of the Presidency.

Your Vice-President has referred to two very controversial questions affecting the forward trade in cotton. I trust you do not expect me, on this occasion, to make any pronouncements as to Government's intentions in these matters—particularly as regards the question of unitary control. The whole question of State intervention in forward trading has, since the beginning of this war, assumed much more than provincial importance. As we know from the experience of the last few months, excessive speculation in one commodity in one Province can have repercussions of a serious character over the economy of the whole country; and clearly the problem requires to be considered from a wider standpoint than perhaps we have been accustomed to in the past. On the subject of options, I will only say that I have been most interested in your Vice-President's remarks, and in particular his view that, but for the action taken by Government, the decline in the price of cotton might have been far steeper than has been actually the case. As you will recollect, this was the primary consideration weighing with me in enacting legislation declaring cotton options void.

The only other provincial legislation to which reference has been made in the speeches is the Bombay Shops and Establishments Act. This Act is, as a matter of law, already

in force, but the difficulties of enforcing it in practice have proved numerous. I trust we will be able to overcome these without excessive delay.

Let me, in conclusion, express to your President my indebtedness for the assistance he has been to me in many matters, and my sincere regret at his impending departure from Bombay. To Mr. Bramble I offer my congratulations and good wishes for the coming year as your new President.

We have all, no doubt, a year of stress in front of us. Let us meet it with the determination of those who have the greatest and highest of causes to uphold.

MR. W. T. LANE in proposing a vote of thanks to the Committee said :—Your Excellency and Gentlemen—On behalf of the Members of this Chamber the resolution I am about to propose is one I feel in all sincerity will be seconded and passed unanimously, the reason being that our highly esteemed President, Vice-President and the Out-going Committee have more than sustained the high traditions and standard of the Chamber. The duties they have been called upon to perform, and which have been so efficiently and willingly carried out, have been exceptionally heavy and exacting and the valuable time they have devoted to our interests can only be fully appreciated by those of us who follow very closely the extensive business of the Chamber. Many of us receive reports of similar Chambers from the different large trading centres of the world and which are of considerable value and interest and, in my humble opinion, comparing such reports with those of the Bombay Chamber of Commerce, I feel our Members have every reason to be very well satisfied with the privilege of being associated with such an active and thoroughly alive Chamber such as ours which is principally due to the able and experienced gentlemen this Chamber has been so fortunate in having as our representatives on the Committee. During the past year owing to the disturbed International Political situation in Europe which resulted in England and France declaring War on Germany on the 3rd of

September last, our out-going Committee have been called upon to deal with innumerable additional matters of vital importance to the Members of this Chamber and which I feel we all must acknowledge they have handled in a most satisfactory manner for which I am sure we are all deeply grateful. Our President in his address to-day has given us a summary of the many important matters he and his Vice-President and Members of his Committee have so ably dealt with during their year of office but his modesty is such that none of us, with the exception perhaps, of our hard-working and able Secretary, will know the long hours he has so conscientiously and generously devoted to the welfare of this Chamber. In particular therefore our thanks are due to the President, Mr. A. K. G. Hogg, and the Vice-President, Mr. C. P. Bramble, for the enormous amount of assistance they have rendered towards completing a successful year of the Chamber as well as to the commercial interests of the City of Bombay.

I now formally move that the thanks of the Chamber be tendered to the President, Vice-President and the Out-going Committee for their able conduct of the affairs of the Chamber during the past year.

MR. S. O. SUNDGREN in seconding the resolution said :—Your Excellency and Gentlemen—The second resolution as tabled and as now proposed by Mr. Lane is worded in a manner which does not give full credit to the feelings of thanks and appreciation which I am sure we all like to express to the President, Vice-President and out-going Committee. One might almost say that the wording of the resolution is so sober as to reflect the prohibition which has descended upon us in the year during which they have guided the destinies of the Chamber.

I am therefore glad that Mr. Lane has when proposing the resolution made it clear what we should like the President, Vice-President and the out-going Committee to read between the three lines on the agenda paper. He has done so in a manner on which I cannot improve. He has

also done so in a manner which I feel will meet with the fullest response from the Members of the Chamber.

Confident of a unanimous verdict I therefore have great pleasure in seconding the resolution as proposed by Mr. Lane.

The resolution was carried with acclamation.

MR. T. SINCLAIR KENNEDY proposed, MR. C. R. C. GARDINER, seconded, and it was agreed :—

"That the nomination of the following members of the Committee of the Bombay Chamber of Commerce for the year 1940-41 in accordance with the provisions of Article 37 (*g*), be and is hereby confirmed :—

MR. R. W. BULLOCK.

MR. R. L. FERARD.

MR. A. L. HUTSON.

MR. A. MCINTOSH.

MR. G. H. RICHMOND.

MR. G. S. TAUNTON.

MR. G. J. H. WALLS.

MR. W. L. A. RADCLIFFE proposed, MR. J. VONESCH seconded, and it was agreed :—

"That MESSRS. A. F. FERGUSON & Co. be and are hereby elected Auditors of the Chamber's accounts for the year 1940 at the remuneration hitherto paid to them."

MR. D. WATSON, in proposing a vote of thanks to His Excellency the Governor, said :—Sir—It is a signal distinction to be privileged to propose the vote of thanks to His Excellency, and yet it is embarrassing to try to say anything of one who has said, and is saying, so much for himself by his work.

In sympathy with these difficult days of changing conditions I do not think I ought this year to pursue the metaphor of Mr. Bramble and Mr. French, but those of us in the stokehole, concerned simply with the economical handling of fuel, are glad that His Excellency has been able to meet with calmness all the emergencies, to hold the ship upon an even keel, and straight on a sane course.

His esteemed presence here also makes it clear that, whatever are our own ideas of the future relations of Government and business, our paramount duty for the present is to rise above selfish considerations and give the best there is in us.

I know I am the sincere voice of all when I propose that this meeting gives His Excellency a vote of gratitude.

The proposition was carried with acclamation.

A vote of thanks to the President terminated the proceedings.

Bombay Chamber of Commerce.

ANNUAL REPORT FOR 1939.

ELECTION OF PRESIDENT AND VICE-PRESIDENT OF THE CHAMBER FOR THE YEAR 1940-41.

In accordance with the prescribed regulations, MR. C. P. BRAMBLE, M.L.A., and MR. J. M. B. GIBBONS were elected President and Vice-President, respectively, of the Chamber for the year 1940-41.

CHANGES IN THE COMMITTEE DURING 1939.

In April 1939 MR. A. P. POWLES resigned his seat on the Committee and MR. G. J. H. WALLS was nominated to serve in his stead. In June 1939 MR. W. M. PETRIE resigned his seat and MR. C. J. DAMALA was nominated to serve in his stead.

BOMBAY LEGISLATIVE ASSEMBLY.

CHAMBER'S REPRESENTATIVE.

(*See Report* 1938, *page* 1.)

In February 1939 MR. G. H. COOKE, one of the Chamber's representatives in the Bombay Legislative Assembly, resigned his seat and MR. D. W. MULLOCK was elected to serve in his stead.

BOMBAY PORT TRUST.

CHAMBER'S REPRESENTATIVES.

The terms of office of MESSRS. G. H. COOKE, R. C. LOWNDES, A. K. G. HOGG, W. A. BELL and A. MCINTOSH expired on 31st March 1939 and resulted in the election of MESSRS. W. A. BELL, R. W. BULLOCK, A. K. G. HOGG, R. C. LOWNDES and A. MCINTOSH, to serve for a period of two years from 1st April 1939. In April, May and June,

respectively, MESSRS. R. C. LOWNDES, A. MCINTOSH and W. A. BELL obtained leave of absence from meetings of the Board of Trustees of the Port of Bombay and MESSRS. F. F. STILEMAN, G. H. RICHMOND and J. N. KERR were elected to serve in their stead.

BOMBAY MUNICIPAL CORPORATION.

CHAMBER'S REPRESENTATIVE.

In accordance with the prescribed regulations, MR. E. L. C. GWILT was re-elected in February 1939 as the Chamber's representative on the Bombay Municipal Corporation.

In June 1939 MR. GWILT resigned his seat on proceeding on leave and MR. H. C. D. IRWIN was elected to serve in his stead.

BOMBAY SMOKE NUISANCES COMMISSION.

CHAMBER'S REPRESENTATIVE.

In September 1939 the Government of Bombay notified the Chamber that under Government Notification, Political and Reforms Department, No. S. 20(9), dated the 17th January 1938, the period of constitution of the Bombay Smoke Nuisances Commission would expire on the 31st December 1939 after which date a new Commission would have to be constituted under the Bombay Smoke Nuisances Act for a period of two years. The Chamber was requested to communicate to Government the name of the member nominated as its representative for appointment on the new Commission. The Committee re-nominated MR. H. F. MILNE.

SYDENHAM COLLEGE OF COMMERCE AND ECONOMICS.

CHAMBER'S REPRESENTATIVE ON ADVISORY BOARD.

In December 1939 the Chamber was asked to nominate a representative on the Advisory Board of the Sydenham College of Commerce and Economics for the current triennium. The Committee renominated MR. A. G. GRAY.

RAILWAY RATES ADVISORY COMMITTEE.

CHAMBER'S NOMINEES.

In April 1939 the Railway Board requested the Chamber to nominate a representative to serve on the Railway Rates Advisory Committee in place of MR. G. H. COOKE who had resigned his seat on retirement from India.

The Committee nominated MR. G. H. RICHMOND.

In December 1939 MR. J. F. MACDONELL also resigned his seat on retirement from India.

BOMBAY BOARD OF COMMUNICATIONS.

CHAMBER'S REPRESENTATIVE.

(*See Report for* 1938, *page* 3.)

In February 1939 MR. G. H. COOKE, the Chamber's representative on the Bombay Board of Communications, resigned his seat on retirement from India and MR. G. H. RICHMOND was nominated to serve in his stead.

PERSIAN GULF LIGHTING SERVICE ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

In January 1939 MR. G. FURZE, the Chamber's representative on the Persian Gulf Lighting Service Advisory Committee, resigned his seat and MR. C. F. MORRIS was nominated to serve in his stead.

INDIAN SAILORS' HOME SOCIETY.

CHAMBER'S REPRESENTATIVE.

In April 1939 MR. A. T. O. DEAS, the Chamber's representative on the Committee of the Indian Sailors' Home Society, Bombay, resigned his seat and the Committee of the Chamber nominated MR. G. S. TAUNTON to serve in

his stead. In November 1939 MR. TAUNTON resigned his seat and MR. C. E. LEMAN was nominated to serve in his stead.

ROYAL BOMBAY SEAMEN'S SOCIETY.

CHAMBER'S REPRESENTATIVE.

In April 1939 the Chamber was asked to nominate a representative to serve as a member of the Royal Bombay Seamen's Society under the provisions of Rule 1(*e*) of the Rules and Regulations of the Society. The Committee re-nominated MR. C. H. C. MUNROE.

AUXILIARY FORCE ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

In March 1939 the Government of Bombay, Home Department (Political), informed the Chamber that the term of office of the existing Advisory Committee for the Bombay District under the Auxiliary Force Act, 1920, would expire on the 31st March 1939 and requested the Chamber to nominate its representative on the Committee for the year 1939-40.

The Committee re-nominated MR. V. F. NOEL PATON.

EMPIRE COTTON GROWING CORPORATION.

CHAMBER'S REPRESENTATIVE.

In May 1939 MR. A. A. SARANTIDES, the Chamber's representative on the Empire Cotton Growing Corporation, resigned his seat and MR. S. B. SAMOILYS was nominated to serve in his stead.

FEDERATION OF CHAMBERS OF COMMERCE OF THE BRITISH EMPIRE.

CHAMBER'S REPRESENTATIVE ON THE COUNCIL.

In January 1939 SIR MALCOLM HOGG, the Chamber's representative on the Council of the Federation of Chambers of Commerce of the British Empire, resigned his seat and SIR GEOFFREY WINTERBOTHAM was nominated to serve in his stead.

FIFTEENTH CONGRESS OF THE CHAMBERS OF COMMERCE OF THE BRITISH EMPIRE.

Chamber's Representative.

The following gentlemen were nominated to represent this Chamber at the Fifteenth Congress of the Chambers of Commerce of the British Empire held in London in July 1939 :—Messrs. G. H. Cooke, A. McIntosh, C. P. Bramble, R. W. Bullock and W. G. Lely.

With the exception of Mr. G. H. Cooke none of the above nominees was able to attend the Congress.

FEDERATION OF CHAMBERS OF COMMERCE OF THE BRITISH EMPIRE.

Nomination of Vice-President representing India.

In December 1938 the Associated Chambers of Commerce of India informed the Chamber that a request had been received from the Federation of Chambers of Commerce of the British Empire for the nomination by the Associated Chambers of a Vice-President of the Federation representing India in succession to the late Sir John Bell.

The Chamber nominated Sir Malcolm N. Hogg, who was unable, however, to accept nomination, and consequently his name was withdrawn.

Sir Alexander Murray, the nominee of the Northern India Chamber of Commerce, was duly elected.

FIFTEENTH CONGRESS OF THE CHAMBERS OF COMMERCE OF THE BRITISH EMPIRE.

Delegates of the Associated Chambers of Commerce.

The following gentlemen were elected by constituent Chambers to represent the Associated Chambers of Commerce of India at the Fifteenth Congress of the Chambers of Commerce of the British Empire which was held in London in July 1939 :—

Sir Geoffrey Winterbotham	Bombay Chamber.
Mr. S. H. Taylor	Upper India Chamber.
Mr. R. S. Fairley	Northern India Chamber.

CONGRESS OF THE INTERNATIONAL CHAMBER OF COMMERCE.

Chamber's Nominees.

The International Chamber of Commerce held its Biennial Congress in Copenhagen from the 26th June 1939 to 1st July 1939 and invited this Chamber, which is a non-member organisation, to be represented.

The Committee nominated Messrs. G. H. Cooke and R. C. Lowndes to attend the Congress.

A copy of the proceedings and resolutions adopted at the Congress were received subsequently and placed in the Chamber's Library.

SUB-COMMITTEES.

The undermentioned gentlemen were nominated to serve on the following Standing Sub-Committees of the Chamber for the year 1939-40:—

Import Sub-Committee.

Mr. A. G. Sotiriadi (*Chairman*).
Mr. W. J. Burrows.
Mr. H. G. Davies.
Mr. Geo. J. Kreczmer.
Mr. J. A. Rodwell.

Finance Sub-Committee.

Mr. A. G. Gray (*Chairman*).
Mr. B. D. Benjamin.
Mr. A. McCulloch.
Sir Kikabhoy Premchand.

Shipping and Export Sub-Committee.

Mr. C. F. Morris (*Chairman.*)
Mr. D. Stewart Brown.
Mr. C. J. Damala.
Mr. Meyer Nissim.
Mr. G. S. Taunton.

Docks and Railways Sub-Committee.

Mr. G. E. Berkley (*Chairman*).
Mr. W. T. Aldous.
Mr. R. S. Larkin.
Mr. J. G. Milne.
Mr. C. W. Warrington.
Mr. D. A. H. Windle.

Income Tax Sub-Committee.

Mr. A. E. Blair (*Chairman.*)
Mr. G. A. H. Alexander.
Mr. C. R. Sharp.
Mr. B. J. Whitby.

Cotton Sub-Committee.

Mr. L. F. H. Goodwin (*Chairman*).
Mr. M. S. Durutti.
Mr. Tulsidas Kilachand.
Mr. R. G. Saraiya.
Mr. J. Vonesch.

Labour Sub-Committee.

Mr. Neville N. Wadia (*Chairman.*)
Capt. W. D. Bacon.
Mr. R. L. Ferard.
Mr. S. O. Sundgren.
Mr. F. S. Woodcock.

Weather Working Days Sub-Committee.

Mr. C. J. Damala.
Mr. R. C. Giles.
Mr. G. S. Taunton.

Staff Sub-Committee.

Mr. A. K. G. Hogg.
Mr. C. P. Bramble.
Mr. L. A. Halsall.

In October 1939 CAPT. W. D. BACON resigned his seat on the Labour Sub-Committee, and MR. A. W. PERCY was nominated to serve in his stead.

In May 1939 MR. W. T. ALDOUS resigned his seat on the Docks and Railways Sub-Committee and MR. H. H. MILES was nominated to serve in his stead. In October 1939, MR. MILES resigned his seat and MR. ALDOUS was renominated to serve on the Sub-Committee.

In December 1939 MR. G. S. TAUNTON resigned his seat on the Shipping and Export Sub-Committee and MR. C. E. LEMAN was nominated to serve in his stead.

MEMBERSHIP OF THE CHAMBER.

The total membership of the Chamber on the 1st January 1940 was 184 against 191 at the beginning of 1939.

The following are the names of members elected.

Messrs. Chemdyes Ltd. Proposed by Imperial Chemical Industries (India), Ltd., and seconded by the Western India Match Co., Ltd.

The East Asiatic Company Limited. Proposed by the Chartered Bank of India, Australia and China, and seconded by the Mercantile Bank of India, Ltd.

Messrs. Bayer Remedies Ltd. Proposed by Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., and seconded by Messrs. Craigie, Blunt and Caroe.

Messrs. Firestone Tyre and Rubber Company of India Limited. Proposed by the National City Bank of New York and seconded by the Ford Motor Co. of India, Ltd.

Messrs. Batliboi & Co. Proposed by Messrs. Vissanji Sons & Co. and seconded by the Bombay Company, Ltd.

Messrs. Corn Products Co. (India), Ltd. Proposed by Imperial Chemical Industries (India), Ltd., and seconded by Messrs. W. H. Brady & Co., Ltd.

Messrs. Bell Russ & Co., Ltd. Proposed by the Chartered Bank of India, Australia and China and seconded by the Anglo-Siam Corporation, Ltd.

The Anglo-Thai Corporation, Ltd. Proposed by the Bombay Company, Ltd., and seconded by the Imperial Bank of India.

The following resigned their membership of the Chamber :—

The P. and O. Banking Corporation, Ltd.
Messrs. Croft Mody & Co.
Messrs. Langley & Co.
The Motor Manufacturers' and Importers' Association, Ltd.
Messrs. Bell Russ & Co.
Messrs. Latham Abercrombie & Co., Ltd.
The Anglo-Siam Corporation, Ltd.
The National City Bank of New York.
Messrs. Meyer Nissim & Co.
The Dunlop Rubber Co. (India), Ltd.

Messrs. Havero Trading Company, Ltd.
The Western India Oil Distributing Co., Ltd.
Messrs. Bayer Remedies, Ltd.
Messrs. Krupp Indian Trading Co., Ltd.

The following enemy concern who ceased to exist, was struck off the register of members :—

Messrs. A. E. G. India Electric Company, Ltd.

MEASUREMENT CHOWKIES.

During the year it was found that the Measurement Department Chowkies were in need of a complete overhaul. There were five chowkies in the Docks, three of which were situated in Victoria Dock and two in Prince's Dock. In Alexandra Dock the offices of the Measurers were accommodated on the 1st Floor of two sheds in the dock, but in so far as the sheds were closed at 5 p.m. and the measurers worked till 6 p.m. and sometimes during the night, it meant that the measurers had to bring their books to be locked up at Victoria Dock. The Committee agreed to the repairs to the old Chowkies being carried out and at the same time decided to erect a new chowkie in Victoria Dock and to remove two of the existing three from Victoria Dock to Alexandra Dock.

DIAMOND JUBILEE OF THE BOMBAY DYEING AND MANUFACTURING COMPANY, LIMITED.

At a meeting of the Committee held on the 23rd of August 1939 it was resolved that the following resolution should be forwarded to the Chairman of the Board of Directors of the Bombay Dyeing and Manufacturing Company, Ltd., on the occasion of the 60th anniversary of the foundation of the Company :—

" The Committee of the Bombay Chamber of Commerce, on their own behalf and on behalf of all members, extend their sincere congratulations to the Bombay Dyeing and Manufacturing Company, Limited, a member of this Chamber since 1893, on the occasion to-day

of the sixtieth anniversary of its foundation. They desire to record their appreciation of the very important part the Company has played in the development of the cotton textile industry in India and to wish it continued success."

CENTENARY OF THE CEYLON CHAMBER OF COMMERCE.

At a meeting of the Committee held on 28th March 1939 it was resolved to send the following telegram of congratulations to the Ceylon Chamber of Commerce on the 31st March in celebration of its Hundredth Anniversary :—

"On the occasion of the celebration of the Centenary of the Ceylon Chamber of Commerce, the President and Committee of the Bombay Chamber of Commerce send their hearty congratulations and their sincere wishes for its future success and prosperity."

ADDRESS OF WELCOME TO HIS EXCELLENCY THE VICEROY.

The Committee of the Chamber on behalf of the members presented an address of welcome to His Excellency the Marquess of Linlithgow, Viceroy and Governor-General of India, at Government House, Malabar Point, on Wednesday, 25th January 1939 at 11 a.m. The full texts of the address and of His Excellency's reply will be found in the Appendices.

DEATH OF HIS EXCELLENCY THE RIGHT HONOURABLE THE LORD BRABOURNE.

On the 23rd February 1939, immediately on receipt of the sad news of the death of His Excellency the Right Honourable the Lord Brabourne, G.C.S.I., G.C.I.E., M.C., Governor of Bengal and former Governor of Bombay, the offices of the Chamber were closed as a mark of respect to his memory.

At a meeting of the Committee of the Chamber held on 1st March 1939, the following resolution was adopted :—

"The President and Committee of the Bombay Chamber have received the intimation of Lord Brabourne's death with profound grief and desire to place on record their great appreciation of his very

considerable services while Governor of this Presidency and their keen sense not only of personal sorrow but also of the irreparable loss this country has suffered by his untimely death."

A copy of the resolution was forwarded to Lady Brabourne through the Military Secretary, Government House, Calcutta.

Before proceeding with the business of the Annual General Meeting of the Chamber held on Wednesday, 15th March 1939, the President of the Chamber, MR. A. McINTOSH, referred to the passing of Lord Brabourne and stated that his memory would be held in esteem and affection by men and women of every community and creed.

DEATH OF SIR ERNEST MILLER.

At a meeting of the Committee held on the 28th March 1939, it was resolved to request the Directors of Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., to convey to the relatives of the late Sir Ernest Miller the terms of the following resolution :—

"The Committee of the Bombay Chamber of Commerce have learnt with deep regret of the premature decease of Sir Ernest Miller and desire to put on record their sincere appreciation of the very valuable services he rendered to the community as President of this Chamber and as a Member of both the Bombay Legislative Council and the Council of State."

VISIT TO THE CHAMBER OF MR. J. F. SHEEHY, I.C.S.

MR. J. F. SHEEHY, I.C.S., Member, Central Board of Revenue, accompanied by MR. A. C. TURNER, M.B.E., I.C.S., Commissioner of Income-tax, Bombay, visited the Chamber on the 13th July 1939 and informally discussed with the Committee and the Income-tax Sub-Committee the following points arising out of sections of the Income-tax (Amendment) Act.

(*i*) *Section* 2(6).—A foreign public company carrying on business in India through a 100 per cent. subsidiary company would be declared by the Central Board of Revenue as a company under section 2(6) of the Act.

It was emphasised that the foreign company must be a public company, that is, a company in which the public was substantially interested.

(*ii*) *Section* 4(1) : *Explanation* (3).—The Act would be enforced in the case of dividends paid in England or America by a company when a small portion of this dividend arose from profits subject to income-tax in India.

(*iii*) *Sections* 22 *and* 28.—An individual in default for not having made an income-tax return, applying voluntarily for a copy of the return and having to give his name and address would not be made liable to a penalty under section 28 of the Act other than for late application.

Arrangements would be made for establishing an enquiry office on the ground floor of the Income-tax building in Bombay in charge of a clerk who would not issue forms but would direct assessees to the Ward concerned.

(*iv*) *Section* 10.—Assessees would be afforded figures showing depreciation carried forward as distinguished from trading losses carried forward. It was presumed that an assessee might choose whether losses carried forward would be utilised in preference to depreciation carried forward.

(*v*) *Section* 42.—The Enquiry Committee's report would be followed in respect of consignment business and a non-resident in a consignment business would be assessed to tax on the basis of the wholesale price at home determining the profits not reasonably attributable to that part of the operations carried out in British India.

(*vi*) *Section* 42 (1) *and* (2).—The assessee under these sub-clauses was the sole assessee for the purpose of super-tax.

(*vii*) *Section* 42(3).—The wholesale trade price in the foreign country together with freight and insurance paid by the non-resident company would be accepted as showing the profits not reasonably attributable to the operation in British India.

(*viii*) *Rule* 33.—If a Bank operating in a Native State invested in British Indian securities deposits received by it in the State, the only set-off against interest on British

Indian securities would be proportionate overheads including interest on deposits, but that losses in a State would not be allowed to be set off. Assessment could be claimed on an application for refund.

The deposit of money in India by a State Bank would be considered as conducting business in India and therefore the Government Trading Act applied. Further, a State Bank investing securities in British India was trading in British India, so that the interest on these securities was taxable under that Act.

The National Defence Contribution or a Munitions Tax in England would not be allowed as a deduction in the application of Rule 33. (*Vide Section* 10(4)).

In applying Rule 33, in the case of the non-resident, being a trading concern, interest on securities would be disregarded.

(*ix*) *Section* 49.—Claims under this section for the Government year 1938-39 were to be submitted in forms which were in use prior to the 1st April 1939 and the claims were to be calculated according to the section as it stood on the 31st March 1939.

Refund was not restricted to half the shareholder's rate of tax.

(*x*) *Government of India Sterling Securities.*—Interest on Government of India Sterling Securities was not exempted. Under the old Act when such interest was not brought into British India it was not assessable. Section 315 of the Government of India Act merely provided that interest on sterling securities would not be deducted at source but under the amended Income Tax Act, the question of whether this income was assessable was a question of residence.

(*xi*) *Section* 4*A* (*b*).—In the case of a foreign company being an Association of persons having a manager in India, or a non-resident firm having, say, one partner in India, the test as to whether Section 4A(*b*) would apply was where the control of the whole business remained and

not part. Conversely merely because a manager of a non-resident association of persons or a manager or partner of a non-resident firm, managed the affairs of the Company in India would not thereby make this section applicable.

(*xii*) *Delays in making refunds.*—Steps were being taken to speed up making refunds of tax.

(*xiii*) *Rates for Depreciation.*—It was proposed to publish the suggested rates for depreciation as a basis for criticism, and that the procedure in England would be followed by which Government would consult informally persons affected by the various rates.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

Annual General Meeting, 1939.

The annual general meeting of the Associated Chambers of Commerce of India was held at Calcutta on the 18th and 19th December 1939. The proceedings were opened by His Excellency the Most Honourable the Marquess of Linlithgow, P.C., K.T., G.M.S.I., G.M.I.E., O.B.E., T.D., Viceroy and Governor-General of India. This Chamber was represented by Mr. A. K. G. Hogg, President, and Mr. C. P. Bramble, M.L.A., Vice-President of the Chamber.

The following is a list of subjects in connection with which resolutions were adopted unanimously by the meeting :—

1. The intention and desire to render all possible assistance in the prosecution of the War.
2. Co-ordination and Co-operation between the Central and Provincial legislative and taxing authorities.
3. Provincial Labour Legislation.
4. The Police Act V of 1861 : Section 14—Payment for police protection.
5. Stamp duty on inland currency bills.

No resolutions were moved by this Chamber.

CENTRAL ADVISORY COMMITTEE FOR LIGHTHOUSES.

Nominees of the Associated Chambers.

In June 1939 the Associated Chambers of Commerce of India informed this Chamber that the Central Advisory

Committee for Lighthouses had been re-constituted for a period of two years with effect from the 1st April 1939. The following gentlemen who previously represented the Associated Chambers on the Advisory Committee stated that they were prepared to serve for a further term of office :

Mr. C. D. Priestley (Madras).
Mr. A. K. G. Hogg (Bombay).
Mr. A. B. Mallett (Bengal).

The Committee informed the Associated Chambers that they agreed to these gentlemen being renominated.

CHAMBER'S STATISTICAL RETURNS.

Owing to the outbreak of war in September 1939, the Chamber received instructions from the Collector of Customs, Bombay, prohibiting the publication of the following details in its Statistical Returns :—

(*a*) Names of steamers and their date of sailing, arrival and port or country of destination.

(*b*) Imports or exports of oil (mineral or lubricating), flour and grain.

(*c*) Shipments of gold.

CENSORSHIP RESTRICTIONS ON CERTIFICATES OF ORIGIN.

In November 1939 the Chamber was informed by the Chief Censor, Bombay, that certificates of origin issued by the Chamber for goods exported by ships belonging to the Allied Nationalities must discontinue showing the date of shipment. The Chamber enquired of the Chief Censor whether it would be in order to insert against the date of shipment the month only. The Chief Censor saw no objection to this and the certificates have since been issued in this form.

LOADING CERTIFICATES.

During the year the Chamber was informed by a member that the owners of a steamer they had chartered

and which was loaded in Bombay had asked that a loading certificate be obtained for submission to their Government Shipping Authorities.

The steamer in question was under the Egyptian flag and was stated to be subject to a Government subsidy scheme and hence regular returns were required to be made giving details of the freights carried in order to support the owners' claims to subsidy benefits.

The Committee agreed to issue a certificate in the following form and authorised the levy of a fee of Rs. 10 for the certificate :—

" According to the manifest and other documents presented for our inspection the s.s. . . . . shipped . . . . . tons of cargo at the port of . . . . . "

RESIGNATION OF THE CONGRESS MINISTRY.

On the 31st October 1939 the Congress Ministry in Bombay tendered its resignation to His Excellency the Governor. The resignation was accepted on the 4th of November. The following resolution which was passed by the Bombay Legislative Assembly gives the reason for this decision of the Congress :—

" This Assembly regrets that the British Government have made India a participant in the war between Great Britain and Germany without the consent of the people of India and have further, in complete disregard of Indian opinion, passed laws and adopted measures curtailing the powers and activities of the Provincial Governments.

" This Assembly recommends to Government to convey to the Government of India and through them, to the British Government that, in consonance with the avowed aims of the present war, it is essential in order to secure the co-operation of the Indian people that the principles of democracy be applied to India and her policy be guided by her people ; and that India should be regarded as an independent nation entitled to frame her own constitution providing, among other things, adequate safeguards for the protection of the rights and liberty of the members of all minority communities in India, and further that suitable action should be taken in so far as it is possible in the immediate present to give effect to that principle in regard to the present governance of India, giving at the same time a voice to important minorities in the machinery that may be devised for the purpose;

"This Assembly regrets that the situation in India has not been rightly understood by His Majesty's Government when authorising the statement that has been made on their behalf in regard to India."

The resolution which was moved by the Hon'ble Mr. B. G. Kher, Prime Minister, was carried by an overwhelming majority.

Consequent on the resignation of the Ministry and the impossibility of forming an alternative Ministry which could command the support of a working majority in the Provincial Legislature His Excellency the Governor issued a Proclamation under Section 93 of the Government of India Act, 1935, whereby he assumed to himself all legislative and administrative powers within the Province. His Excellency appointed the following three advisers to assist him :—

Sir Gilbert Wiles, K.C.I.E., C.S.I., I.C.S.,
Mr. J. A. Madan, C.S.I., C.I.E., I.C.S., and
Mr. H. F. Knight, C.I.E., I.C.S.

Sir Gilbert Wiles took over the Political and Services Department including Labour ; Home Department ; Legal Department and Finance Department.

Mr. J. A. Madan took over the Revenue, Education and Local Self-Government Departments.

Mr. H. F. Knight took over the Medical and Public Health ; Excise ; Co-operative Societies; and Rural Developemnt; Industries ; and Public Works Departments.

THE WAR.

The following are some of the more important subjects affecting commerce which came under the consideration of the Committee of the Chamber as the outcome of the War between the British Empire and Germany.

EMERGENCY RETURN TO INDIA—PASSAGE RESTRICTIONS.

In May 1939 the Chamber received from the Defence Co-ordination Department a communication which stated

that the Government of India in consultation with the Secretary of State, had under consideration the arrangements that might be necessary, in the event of an emergency, to secure passages by sea from Europe to India for those members of the staff of commercial and industrial undertakings in India who might be in the United Kingdom at the outbreak of the emergency and whose very early return to this country might be vitally necessary in order that the industrial and commercial concerns might be able to meet the demands for supplies of essential commodities which may be entrusted to them, and requested the Chamber to assist the Government of India in the task of preparing lists giving the information in regard to the gentlemen whose early return to India was a matter of vital importance.

Government explained that all possible assistance to secure passages would be given, but stressed that in the event of a serious emergency, the number of passages for persons other than Military and Civil Officers in the employ of Government might be very severely curtailed, and therefore suggested that the list should be restricted to those gentlemen whose presence in India was vitally essential.

Applicants were required to submit the undernoted particulars in regard to the gentlemen referred to in the preceding paragraph, who were on leave in Europe.

Name.
Executive Position.
Special Technical Qualifications.
Address in United Kingdom or address of office in United Kingdom responsible for movements.

In accordance with Government's request members were informed of the contents of the above communication and were instructed to submit replies direct to the Secretary, Defence Co-ordination Department.

After the outbreak of hostilities in September 1939, members were advised of a further notification intimating that arrangements had already been made to ship to India

the great majority of Civil and Military officers and key industrialists whose importance had previously been signified to the Secretary of State.

Emergency Register.

In May 1939 the European Association issued a circular to the effect that it had been decided to undertake the compilation of an Emergency Register of civilians available or likely to be available for service on a far larger and more comprehensive scale than formerly in the case of an emergency. The following was a list of forms of service which were open to volunteers.

A. I. R. O.
A. R. P.
Ambulance Services.
Army.
Auxiliary Forces (State Unit).
Engineering (State Branch).
Industry of National importance.
Medical.
Mercantile Marine.
Motor Transport.
Police (including Special Constabulary).
Professional or Scientific work.
Royal Air Force.
Royal Navy.
Transport.
Telephone Services.
Wireless Services.

It was pointed out that a register of this nature would be of very great assistance to Government. Further, it was clearly explained that the enrolment did not involve any obligation real or implied on either the individual or his employer.

The Chamber was asked to lend its support to the scheme by requesting all members to arrange for the completion of the circular by those of their employees who were willing to enlist their names in the register. This support was duly accorded.

The response to the circular was most satisfactory.

Registration of Foreigners Rules.

In consequence of the passing of the Registration of Foreigners Act in April 1939, the object of which was to provide Government with statutory powers necessary for the collection from foreign visitors and residents of information regarding their numbers and movements in accordance with the practice which existed in most other countries, the Government of India, Home Department, issued draft rules under the Act. A copy of these draft rules was supplied to the Chamber together with a copy of an explanatory Press *communique*, dated 5th May 1939, which drew attention to their main features.

For the purposes of the Act the word "foreigner" included every person other than :—

(1) a British subject domiciled in the United Kingdom ;

(2) a British Indian subject ;

(3) a Ruler or subject of an Indian State ;

(4) a Consul-General, Consul, Vice-Consul or a person appointed by a Foreign Government to exercise diplomatic functions.

The following were exempted from registration under the rules :—

(1) those who are under 16 years of age ;

(2) any subject of His Majesty ;

(3) any foreigner in the service of His Majesty and any British protected person ;

(4) wives and children of Diplomatic Officials, Consuls and Vice-Consuls ;

(5) persons of Asiatic birth and subjects of States on the borders internal or external of India ;

(6) subjects of the Sultan of Muscat and Omar ;

(7) persons in transit across British India under the authority and licence previously obtained from a place beyond British India.

After referring the question to a special Sub-Committee representing shipping interests in Bombay, the Committee, in addressing the Government of India, Home Department, stated that their main criticism was directed towards Section 16 of the Rules and stressed very strongly their views that the rules laid down in sub-sections 16 (1) (*a*),

(*b*) and (*c*) if applied to the coastal trade of India and Burma would, in practice, be almost impossible to comply with. They were aware that the Home Member had specifically stated that it was the intention of Government to exempt from the definition of 'foreigner' all foreigners of Asiatic birth residing in countries having a common boundary with British India, in which category it was presumed Burma was to be included, but the rules as framed threw the onus on the Captain of a ship of supplying to the Registration Officer a list of all passengers embarking or disembarking, whether of foreign nationality or not.

In the case of the coastal trade deck passengers who frequently numbered between 600 and 1,200 on each journey were for the most part illiterate. They arrived from up-country and purchased their tickets in much the same way as railway tickets, usually a few minutes before the boat started and the journey was a matter of hours only. It was obvious that it was entirely impossible for the Captain to prepare a list of such passengers during the short time available and that any attempt to do so would lead to complete disorganisation of the traffic, and that furthermore any information so obtained would be practically valueless. The Committee therefore recommended that in Section 16 (1) after the words, "the master of any vessel" there should be inserted the words "not being a vessel plying solely between ports in British India, the Indian States, Burma, Ceylon, the Straits Settlements and the Persian Gulf." They also recommended that in Section 16 (2) after the words "person having the management of a vessel" there should be inserted the words "not being a vessel plying solely between ports in British India, the Indian States, Burma, Ceylon, the Straits Settlements and the Persian Gulf." Similarly in Section 15 (2) after the words "every passenger who is about to depart from British India on board any vessel" there should be inserted the words "not being a vessel plying solely between ports in British India, the Indian States, Burma, Ceylon, the Straits Settlements and the Persian Gulf."

As regards the arrival of foreign liners in British Indian ports, the Committee did not suggest that it would be impossible for the regulations as framed to be carried out. They did, however, strongly urge that there was no justification to force the onus of furnishing the particulars required to the Registration Officer on the Captain or persons having the management of a vessel. They understood that a system was in force in Singapore whereby an alien arriving could not land until his passport had been examined and endorsed by the Police, after which he had to register within 48 hours. Furthermore a steamship agency was forbidden by law to issue tickets to an alien wishing to leave the country unless he produced a passport previously endorsed by the Police. This condition was the only one, the onus of which was thrown on the shipping companies and if it was not complied with the offender would be subject to serious consequences. In forwarding a description of the procedure in question to Government the Committee suggested that the introduction in India of a procedure on similar lines would be far more satisfactory than that at present proposed.

The Committee expressed the hope that the foregoing criticisms would receive the sympathetic attention of Government, as it was a matter of very considerable importance to the shipping companies concerned.

The Committee also offered the following suggestions which they considered might be advantageously embodied in the Rules.

It was stated in the proviso to Rule 5, Sub-section 3 (*b*) that a foreigner having no residence in British India should give as his address a British banker, etc. In sub-section 4 (*b*) it was stated that the aforesaid British banker must furnish on demand all information in his possession as to the foreigner. The Committee assumed that it was not Government's intention to place an obligation on a banker to divulge information which in his relations with the

customer he was precluded from giving except by order of a Court, but they recommended that this should be made clear.

It was stated in Section 7 (2) that the period of validity for a tourist certificate of registration should be three months. It was recommended that such a certificate should be renewable for a further period of three months, thus permitting the tourist to remain in India for a maximum period of six months as was customary in the Continent of Europe.

It was stated in Section 8 (1) that every foreigner, when required to do so, must produce his passport. It was recommended that this section should include a time limit for so doing, and a specified place where the passport must be produced. A passport was a valuable document and many travellers did not care to carry it about on their person.

Finally it was suggested that there should be included in the Rules provisions to allow through passengers to go on shore without the necessity of reporting to the Registration Officer, and also consideration might be given to those foreign tourists arriving in vessels on a round-the-world cruise who landed at one port and after spending a week or ten days visiting the sights of India departed on the same vessel from another port.

In reply to the Chamber's criticism on Rule 5, sub-section 3 (*b*) that a foreigner having no residence in British India should give as his address a British banker, etc., Government amended the Rule so as to make it clear that before a foreigner gave a British subject's address as his own the consent of the British subject must be obtained and that the obligation to furnish information about a foreigner was limited to information which could be properly demanded for the purposes of the enforcement of the Rules.

Rule 8 (1) was amended by the addition of a proviso empowering the Registration Officer, Magistrate, etc., to extend the period of 24 hours where circumstances required it.

In regard to Rule 16, Government made the following amendments :—

(*i*) Vessels plying solely between ports in British India and ports in Indian States were excluded from the definition of the word 'vessel' by an amendment to rule 2. In other words, passengers on, and masters of, such vessels would be in exactly the same position as railway travellers and Administrations.

(*ii*) Provision was made in the Order of Exemption whereby passenger lists, etc., would not be required in respect of passengers other than foreigners who were liable to be registered, on vessels plying solely between ports in British India and ports in French India, Portuguese India, Burma and Ceylon.

The Chamber's suggestion that through passengers on vessels which merely called at ports in India should be exempted, was incorporated in the draft Order of Exemption ; the same exemption however was not extended to persons who visited India for a week or so or on world tour. They would be required to register as tourists and in practice having done this would be put to no inconvenience.

National Service for European British Subjects in India.

On the 30th August 1939 owing to the imminence of war the Government of India by Ordinance No. 2 took steps to provide for the registration of all European British subjects in India between the ages of 16 and 50 subject to certain exemptions which included the members of the Army in India Reserve of Officers and of any Auxiliary Force in India. The implication of the Ordinance was to organise the European community in India on a basis upon which its service could be utilised to the best advantage by the Military Authorities whether voluntarily or compulsorily. From information received through the European Group at the Centre it was made clear that the policy of compulsory service was not dictated purely by Military considerations. In addition to supplying men for the fighting forces, India and in particular the European community

in India could play an effective part in the successful prosecution of the war by maintaining supplies of foodstuffs and other essential commodities to all units of the Empire and to France. It was therefore of vital importance that India's import and export trade should be maintained on a basis equivalent to peace time conditions. In order to safeguard the interests of industry, trade and commerce, National Service Advisory Committees were established which it was anticipated would receive statutory recognition in due course.

The Committee which was set up in Bombay was composed of the following :—

1. The President of the Bombay Chamber of Commerce, or nominee ;
2. The Chairman of the European Association, Bombay or nominee ;
3. The Master of the Bombay Presidency Trades Association or nominee ;
4. The Chairman of the European Textile Association or nominee ;
5. Colonel W. H. Hammond, Commandant, Bombay Contingent, A.F.(I.)

and the Secretary of the Chamber, who was appointed as the Honorary Secretary of the Committee.

The object of this Committee was to act in co-operation with the European Association and assist the District Commander in all matters relating to the voluntary recruitment of officers for the Army and provision of personnel for the Army under the National Registration Ordinance.

At the request of Mr. Boyle, M.L.A., and in agreement with the President of the Chamber, a meeting was called in the rooms of the Chamber on Friday, September the 8th, of the Heads of the majority of the British firms established in Bombay. Mr. Boyle had previously explained by letter that the Adjutant General had intended to issue an Ordinance entailing immediate conscription on all British Europeans between the ages of 18 and 50. He was however prepared to agree to a postponement of this Ordinance

provided the European community through the rolls prepared by the European Association could produce not less than 600 men within a few days and subsequently at the rate of 100 a month, until an unspecified quota was obtained. If this original number of volunteers was forthcoming at once the conscription Ordinance would be delayed for something between four and six weeks. Mr. Hogg, the President of the Chamber, presided at the meeting and after calling on Mr. Boyle to explain the position he read an extract from a letter from the President of the Associated Chambers in which Government's policy regarding recruitment was referred to and the question was then thrown open for discussion. Many of those present spoke and a resolution was finally passed with no dissentients to the following effect :—

"We favour Conscription on such date as the Governor-General considers necessary rather than deferring Conscription for some weeks and asking in the interval for volunteers."

This resolution was telegraphed by Mr. Boyle to Mr. Aikman, the Leader of the European Group at the Centre, with a request that it should be brought to the immediate notice of the Adjutant General.

The Chamber was subsequently informed that the Government of India had decided in favour of the voluntary system of recruitment.

Ordinance prohibiting Europeans from leaving India without permission.

The following Notification No. 13/M.P. (D.C.), prohibiting Europeans from leaving India without permission, was issued by the Defence Co-ordination Department of the Government of India on the 19th September 1939 :—

"In exercise of the power conferred by clause (*a*) of sub-rule (1) of rule 25 of the Defence of India Rules, the Central Government is pleased to order that, with effect from the 19th September 1939, no male European British subject, as defined in clause (*a*) of Section 2 of the Registration Ordinance, 1939, ordinarily resident in British India, who for the time being has attained the age of sixteen years but has not attained the age of fifty years, other than a Government

servant proceeding out of India under the orders, or with the permission, of Government, may proceed from British India to any destination outside India, except under the authority of a written permit granted by the Commander, Military District or Independent Brigade, within the local jurisdiction of which such European British subject ordinarily resides."

Subsequently the Defence Co-ordination Department in a letter to all General Officers Commanding Districts who were the authority who could give permission to European British subjects to leave the country, modified the policy with regard to the issue of such permission.

Permission to leave the country would normally be given to those over 35. The case of any applicant under 35 would be carefully considered on its merits, and permission would continue to be given sparingly; but exceptions might be made for those who :—

(*i*) were in real need and who had genuine prospects of obtaining employment elsewhere.

(*ii*) had some claim to be regarded as not "ordinarily resident in India."

(*iii*) were able to put forward any other exceptional circumstances.

Permission would ordinarily be refused if the destination of the applicant was other than the United Kingdom or a British Dominion or Colony.

The Chamber subsequently received a copy of a letter addressed by the Adjutant-General, Army Headquarters, New Delhi, to Headquarters, Bombay District, on 23rd December 1939 with reference to the grant of leave outside India to employees of firms. Headquarters, Bombay District, were authorised to release without question any employees of reputable firms, and others for whom a suitable guarantee was forthcoming that they intended to return to India at the expiration of their leave and did not intend trying to get employment at Home.

Skilled Technical Labour.

In October 1939, the Chamber was invited by the Employers' Federation of India to nominate representatives

to attend an informal conference to be held at the Mill-owners' Association's Office of representatives of Commerce and Industry to consider a letter which had been received by the President of the Employers' Federation from the Government of India, Defence Co-ordination Department, regarding the maintenance in war of an adequate supply of skilled Indian labour in places where that labour could most usefully be employed in the interests of the country at large. The following gentlemen were nominated to represent the Chamber at the conference:—Mr. R. L. Ferard, Mr. R. W. Bullock, Mr. A. W. Percy and Mr. C. Twynan.

During the Conference which sat under the chairmanship of Sir Homi Mody it was stated that Government desired to obtain accurate statistics as to (1) the number of skilled technicians in industrial undertakings; (2) the maximum and minimum wages normally given; (3) an estimate of the surplus number of skilled men available; (4) particulars of any firm or industry offering rates of wages or conditions of service varying markedly from the prevailing level. Government's intention was two-fold. Firstly, to ensure that industry and commerce of all kinds, and particularly those which could be described as of national importance which would almost certainly have demands made upon them by way of increased productivity to meet war needs, could maintain easy and continuous working while at the same time keeping up a fair and reasonable standard of wages and conditions of service for employees. Under this head it was pointed out that in the last war businesses were competing with each other with regard to skilled workers and enticing men from one firm to another even when engaged in the same type of industry to the detriment of the industry as a whole. It was essential from Government's point of view particularly in the event of a protracted war not only that ordinary industrial output should be maintained, but that industries of national importance should be able to cope with any additional demands that Government might have to put upon them.

Government's second object in securing the statistics was to enable them, when found necessary, to secure for their own purposes certain types of skilled labour.

It appeared that Government were thinking of setting up some sort of machinery in the various Provinces for the above purpose. The Chairman, however, emphasised the desirability of Government not setting up any official machinery but leaving industrialists to supply whatever information was required by Government and to keep registers so that in future when any enquiries from Government came along, industrial interests might be in a position to handle them. This suggestion was accepted by Government.

It was agreed that in collaboration with the Millowners' Association and various other Associations represented at the Conference, an endeavour should be made to obtain from those of the members who employed large numbers of skilled technical labour accurate statistics as far as possible as to the four points cited above.

Members of the Chamber were accordingly circularised in November 1939 with a request that the above information should be supplied on a special form attached to the circular with the object of assisting the Defence Co-ordination Department. At the time of going to press replies were being received to this circular.

Censorship Regulations.

Under new rules for transmission of cables abroad, introduced on the outbreak of war, the sender's name must appear in clear language in the form in every foreign private telegram. The Telegraph Office interpreted this as meaning that the sender's name had also to be telegraphed. This matter was drawn to the attention of the Chamber with the object of making representations to the Indian Government for a revision of the rules.

Whilst the Committee fully realised the inconvenience and expense that had been caused by the new rules, they

understood that these regulations applied to telegrams received from other countries and it was therefore extremely unlikely that the Indian Government would be prepared to make any alteration.

The Chamber was subsequently advised of an interview which a member of the European Group at the Centre had with the Chief Censor, who stated that whilst he quite appreciated the difficulties of the business community and the expenditure that they were incurring in sending foreign cables in plain language, his hands were completely tied in the matter and there was nothing that he could do to assist except to pass on the views of the business community to the Censorship Authorities in the United Kingdom. This he stated he had already done and had, in return, been advised that the matter was under consideration.

The Chief Censor stated that the United Kingdom Government might introduce an entirely new code for commercial use so as to obviate the risk of a pre-conceived system of double translation. The only exceptions made were in connection with banks' financial telegrams where certain approved officers were allowed to add one check code word at the end of a telegram, to prove its authenticity, the translation of the check word being in the hands of the Censor Department.

In October 1939 the Associated Chambers of Commerce of India addressed the Director-General of Posts and Telegraphs, New Delhi, drawing attention to the existing restriction placed on the use of codes in foreign telegrams. It was pointed out that while the immediate necessity of such a restriction on the outbreak of war was fully appreciated, it had added so greatly to the cost of communication as to constitute a very heavy burden on the trade and commerce of the country. The constituent Chambers felt justified, therefore, in requesting that some relaxation should be considered. The relaxations which suggested themselves and which it was understood

were introduced during the last war were, firstly, permission to use certain recognised codes, if necessary on the understanding that plain language translations were submitted with each message sent in such codes; and secondly, in certain cases, the use of private codes on the condition that these codes were filed with the censorship authorities. The Associated Chambers hoped that it would be possible after necessary consultation with the countries of destination to permit an arrangement on the foregoing lines, and added that they would be glad to have the assurance that the matter was receiving the early attention of the Posts and Telegraphs Department in collaboration with the censorshp authorities.

In reply to the Associated Chamber's representation, the Director-General stated that the use of recognised codes in foreign commercial telegrams had been referred to the Chief Censor, India, who intimated that the question of relaxing the existing restrictions against the use of commercial codes of any description in foreign telegrams was under the consideration of His Majesty's Government in the United Kingdom, and that India had to conform to the policy adopted by the Home Government in this connection.

The Director-General added that it was anticipated that the use of certain commercial codes would be permitted in the near future and when His Majesty's Government authorised this, all concerned in India would be duly informed through the medium of the Press.

By invitation of the Committee, Colonel Russell Jones, Chief Censor for India, attended a meeting on the 1st November 1939. He was accompanied by Lt.-Col. L. S. Adlard, Senior Censor, Bombay, and Major Holland.

Colonel Russell Jones gave an outline of the procedure adopted in the censoring of sea and air mails and gave full details with regard to the procedure to be adopted in the case of the despatch of samples, parcels, etc. With regard

to the latter, he explained that, in the first instance, application must be made to the Chief Censor's office in Delhi for the necessary permits. On completion of the formalities, these permits would be sent to the applicant and, when a fresh supply was required, it was being arranged that, instead of making a further application to Delhi, this application should be made to the Chief Censor in Bombay.

Merchants were advised to see that envelopes containing business documents were marked to that effect on the outside as all commercial documents would be dealt with by a special Commercial Section at the Bombay Censor's Office in order to facilitate their early release.

In reply to a question as to why telegrams to Burma and Ceylon could not be sent in code, the Chief Censor stated that separate censorships existed in both these countries and that, as co-ordination was necessary, this could only be attained through His Majesty's Government. It was possible that at a later date the facility of sending telegrams in code might be made available.

As regards the use of approved codes, the Chief Censor stated that he understood the Home Government was moving in the matter and that improved facilities could be looked for in due course. It was possible that the use of Bentley's Codes 1 and 2, also the A.B.C., would be permitted very shortly. Private Codes could not be allowed at the moment but might be permitted at a later date.

Towards the end of December 1939 intimation was received from the Senior Censor, Bombay, that it was proposed to permit the use of Bentley's Second Phrase and Bentley's Complete Code for telegrams from the 1st of January 1940. All outward code telegrams were to be accompanied by a translation of the code. At the time of going to Press the Committee were in correspondence with the Associated Chambers in connection with the use of other standard codes.

EXCHANGE CONTROL UNDER THE DEFENCE OF INDIA RULES.

The Defence of India Rules published in the Government of India Gazette Extraordinary, dated 3rd September 1939, embodied therein under Rules 91 and 92, the Exchange Control Regulations. These rules read as follows :—

" 91. (1) For the purposes of this rule and of rule 92, the expression " foreign exchange " means—

(*a*) any currency other than currency which is legal tender in British India or Burma.

(*b*) any bill or promissory note, payable otherwise than in rupees, and

(*c*) any credit or balance otherwise than in rupees.

(2) No person resident in British India shall, acquire any foreign exchange, or transfer rupees, gold coin or bullion, or securities with a view, directly or indirectly, to the acquisition of any foreign exchange.

(3) No person shall buy or borrow from, or sell or lend to, any person not authorised by the Central Government in this behalf, any foreign exchange, gold coin or bullion.

(4) The provisions of this rule shall not restrict the doing of anything, within the scope of his authority, by a person authorised by or on behalf of the Central Government to deal in foreign exchange, and shall not restrict the doing of anything which is authorised by or on behalf of the Central Government to be necessary for the purposes—

(*a*) of meeting the reasonable requirements of a trade or business carried on in India, or

(*b*) of performing a contract made before the 3rd September 1939, or

(*c*) of defraying reasonable travelling or other personal expenses.

(5) If any person contravenes any of the provisions of this rule, he shall be punishable with imprisonment for a term, which may extend to five years, and shall also be liable to fine."

" 92. (1) On the issue of a notification by the Central Government in this behalf, every person who owns any such foreign exchange as may be specified in that notification shall offer it, or cause it to be offered, for sale to the Reserve Bank of India on behalf of the Central Government at such price as the Central Government may from time to time fix :

Provided that :—

(*a*) any person may be exempted from the operation of this rule by order of the Central Government, and

(*b*) any person, who satisfies the Reserve Bank of India that he requires the foreign exchange in question for any of the purposes specified in sub-rule (4) of rule 91 shall be exempt from the operation of this rule.

(2) If any person contravenes the provisions of this rule, he shall be punishable with imprisonment for a term which may extend to five years and shall also be liable to fine."

PROTECTED AREAS UNDER THE DEFENCE OF INDIA RULES.

The following rules in connection with Protected Areas were embodied in the Defence of India Rules under Clauses 7 and 8 of Part II :—

Protected places.—" 7. If the Central Government or the Provincial Government considers it necessary or expedient that special precautions should be taken to prevent the entry of unauthorised persons into any place, that Government may by notified order declare the place to be a protected place ; and thereupon the provisions of rule 6 and of the Indian Official Secrets Act, 1923, shall have effect in such place as if references therein to a prohibited place and the Central Government were construed as references to a protected place and the Government making the declaration."

Protected areas.—" 8. (1) If the Central Government or the Provincial Government considers it necessary or expedient to regulate the entry of persons into any area, that Government may, without prejudice to the provisions of any other rule, by notified order declare the area to be a protected area ; and thereupon, for so long as the order is in force, such area shall be a protected area for the purposes of these Rules.

(2) On and after such day as may be specified in, and subject to any exemptions for which provision may be made by, an order made under sub-rule (1), no person who was not at the beginning of the said day resident in the area declared to be a protected area by the said order shall be therein except in accordance with the terms of a permit in writing granted to him by an authority or person specified in the said order.

(3) If any person is in a protected area in contravention of the provisions of this rule, then, without prejudice to any other proceedings which may be taken against him, he may be removed therefrom by or under the direction of any police officer or any member of His Majesty's forces on duty in the protected area.

(4) If any person is in a protected area in contravention of any of the provisions of this rule, he shall be punishable with imprisonment for a term which may extend to three years and shall also be liable to fine."

In September 1939 the Chamber was advised by the European Group that the Government of India had drawn up a list of places in Bombay which they suggested should be declared protected places at once under the above rule 7.

The Committee approved of the list. A description of the local limits or boundaries of those industries was forwarded to the Government of India through the European Group.

Control of Enemy Firms.

In September 1939 the Chamber received from the Controller of Enemy Firms, Government of India, a copy of Part XIV (Financial Provisions) and Part XVI (Control of Enemy Firms) of the Defence of India Ordinance.

Members were advised by circular of the receipt of these two ordinances and particular attention was drawn to the following definition contained therein :—

103. In this part—

(2) " Enemy firm " means—

* * * *

(*b*) any firm *whether constituted in British India or not* of which *any* member or officer is, or at any time subsequent to (September 2), was an enemy subject and which is, or at any time subsequent to (September 2), was carrying on business in British India.

* * * *

(*d*) any person or persons . . . . . carrying on business in British India—

(*i*) under the control, whether direct or indirect, of any enemy subject, or

(*ii*) wholly or mainly for the benefit of enemy subjects generally or any class of enemy subjects or any individual enemy subject."

GOODS CONSIGNED IN ENEMY VESSELS AND UNDELIVERED.

Owing to the outbreak of hostilities between Great Britain and Germany, the Committee of the Chamber formed a Special Sub-Committee to consider what action might be taken concerning cargo on board German vessels which had taken refuge in neutral ports.

On the 18th September 1939 members were requested to submit to the Chamber full details of cargo consigned in enemy vessels in order that the Committee might consider possible action to ensure the recovery of the goods. Members were subsequently informed that advice had been received from the Chief Secretary to the Government of Bombay, Political and Services Department, to the effect that owners of cargo on board German ships in Marmagoa Harbour should immediately submit their applications with details as to the number of packages, marks, etc., to the British Consul in Marmagoa.

The following vessels were reported to have taken refuge in Marmagoa :—

M.V. "Brauenfels"	.. ..	Outward bound.
S.S. "Drachenfels"	.. ..	Homeward bound.
M.V. "Ehrenfels"	.. ..	

As it was feared that the Central Government might not be in a position to take any immediate or effective action except by referring the matter to the British Government and that successful results could only be achieved by diplomatic negotiations with the neutral powers concerned, and furthermore as in 1914-1915 the East India Section of the London Chamber of Commerce had successfully negotiated with His Majesty's Government on behalf of British firms in India who owned goods consigned in enemy vessels lying in Italian ports, the Committee decided to address the London Chamber of Commerce, requesting their assistance in the matter.

The London Chamber replied that negotiations were taking place between themselves, the Board of Trade and the German steamship companies regarding release of cargo and the terms upon which such release could be effected. These negotiations had not reached finality, but it was known that the following terms had been suggested by the German steamship companies :—

(1) Presentation of full sets of bills of lading ;

(2) Payment of freight in full, where this had not already been prepaid ; and

(3) Payment of a contribution amounting to 25 per cent. of the value of the cargo in the event of conditions (1) and (2) not being complied with within a time limit.

The London Chamber of Commerce adopted the attitude that the charge referred to in item (3) above was wholly unwarrantable and urged owners of cargo not to accept the imposition of the charge pending the outcome of the existing negotiations and in the meantime to refrain from acting individually. Item 2—the payment of freight charges to the German steamship companies—also presented a difficulty owing to the ban which was placed on direct payments to enemy firms and subjects by the Defence of India Rules. On representations which had been made to them, the Government of India—following the precedent of the United Kingdom Board of Trade—issued a notification No. 135-M.I. War (1) 39, dated the 4th November, 1939 in the following terms :—

" In pursuance of clause (*a*) of the proviso to sub-rule (1) of rule 98 of the Defence of India Rules, the Central Government is hereby pleased to authorise the owner of any cargo in a ship lying at a port in any country not being enemy territory to pay freight and other necessary charges to or for the benefit of any enemy for the purpose of obtaining possession of the said cargo."

This notification opened the way to a settlement immediately the release of the cargo had been arranged and the terms of release decided upon.

The notification was however cancelled under the Government of India Notification No. 135-M.I. (War) (1)/39, dated the 2nd of December 1939. The following *communiqué*

dated New Delhi, 1st December 1939, explained the circumstances in which it was proposed to take this action :—

"On November 4, the Central Government issued a notification authorising the owner of any cargo in a ship lying at a port in any country not being enemy territory to pay freight and other necessary charges to or for the benefit of any enemy for the purpose of obtaining possession of that cargo.

"In the light of certain negotiations which are now proceeding, the Central Government have in hand the revision of that notification, and as it is desirable that no action should be taken under it by merchants pending its revision, it is being cancelled. The revised regulations will be issued as soon as possible. Meanwhile merchants are advised in their own interests not to proceed with any private negotiations which they may have undertaken."

In November 1939 a cable was received from the London Chamber of Commerce to the effect that arrangements had been completed with Messrs. Cox & Kings to handle cargoes from German vessels at all ports of refuge.

This information was circularised to members together with the names of agents appointed by Messrs. Cox & Kings to deal with claims at the various ports in the east. The Committee approved of Messrs. Cox & Kings' proposal to circularise owners of cargoes and recommended that all members of the Chamber should utilise the services of Messrs. Cox & Kings in order to ensure joint action and at the same time increase the probability of obtaining better terms.

In a Press Note dated 18th December 1939 the Government of India announced that they had accepted the offer of the London Chamber of Commerce to extend the negotiations for the release of cargoes on enemy ships to cover all cargo owners in the Empire, including those in India.

The Central Government considered that such terms, being uniformly applicable to cargoes owned by all Empire owners, were more likely to be advantageous to all concerned than if each cargo owner undertook independent action.

A necessary condition of the offer was that Indian cargo owners should not undertake any private negotiations for the recovery of their cargoes, since such negotiations would inevitably have a harmful effect on the negotiations conducted by the Chamber. It was because of this consideration that the Central Government cancelled their notification of November 4th.

The negotiations undertaken by the London Chamber of Commerce related merely to the conditions and terms of release of the goods and when these were settled, separate arrangements would have to be made by Indian cargo owners for paying the necessary charges to enemy shipowners and for taking delivery of the goods.

A revised notification in substitution of the one of November 4th would, accordingly, be issued as soon as the Central Government received information that the negotiations conducted by the London Chamber of Commerce had been completed. Meanwhile, however, in order to prevent delay later on, every cargo owner in India was advised to forward full particulars of his claim to the British Consul at the neutral port where the enemy ship carrying his goods had taken shelter.

Early in December 1939 information was received through Lloyds' Agent in Sierra Leone that the Prize Court proceedings in connection with the entry of the German steamer *Uhenfels* which had been captured off the West Coast of Africa by a British Man-of-War and taken to the port of Freetown in Sierra Leone, would expire on 12th December 1939. Persons wishing to prove their title to the goods were required to do so before that date by producing the relevant documents including bills of lading in the Court.

Subsequently Lloyds' Agent in Bombay advised the Chamber of the receipt of the following telegram from their Agent in Sierra Leone :—

"Twelfth final date our lawyer can enter appearance particulars required owners quantity description goods."

The contents of this telegram were immediately brought to the notice of all members who had goods consigned on this vessel, and a telegram was also despatched to the London Chamber with a request that the Colonial Office should be approached with a view to transferring the *Uhenfels'* cargo and prize court proceedings to England.

The London Chamber of Commerce replied to the effect that application had been made to the Colonial Office for the transfer of the S.S. *Uhenfels.*

Clearance of Goods without relative Shipping Documents.

As several complaints had been lodged with the Chamber regarding the inconvenience which had been experienced by importers through their being unable to secure their cargoes from the docks owing to the non-arrival of shipping documents, the Committee, in October 1939 addressed both the Collector of Customs and the Bombay Port Trust requesting such assistance as could be rendered in this matter.

The Committee requested the Collector of Customs to be good enough to consider the possibility of making arrangements which would permit the clearing of goods from the docks without the necessary invoices, with an arrangement that these withdrawals could be guaranteed by a deposit sufficient to cover the probable duty on the goods. The actual amount payable on account of customs duty would finally be adjusted when the relative documents were received.

In addressing the Port Trust the Committee pointed out that owing to the late receipt of documents covering shipments to the port, importers were unable to obtain delivery of their goods which had to lie in the docks incurring heavy charges. The delay in clearance and the consequent demurrage charges were through no fault of the importers or the steamship agents. A hope was expressed therefore that in cases where it was definitely proved that

charges had been incurred through non-receipt of documents covering the goods in question, the Port Trust would be prepared to make certain concessions.

As a result of this representation the Port Trust sanctioned the levy of 1/3rd single extra fees from the date of expiry of the free days up to the end of the 5th working day after the date of receipt of documents in all cases in which satisfactory proof was furnished to the Docks Manager that delivery of goods from the Docks had been delayed :—

(1) owing to late receipt of documents, and

(2) on account of detention under the orders of the Controller of Enemy Firms (Bombay Circle), due to conditions arising out of the war.

Accumulation of Cargo in the Docks.

In September 1939 the Chamber's attention was drawn by an exporting house to a letter addressed by them to the Port Trust concerning the accumulation of cargo in the docks. It was pointed out that several packages of cargo had been lying in the docks for shipment to Kathiawar and Cutch ports, but owing to the fact that the coastal steamers had been requisitioned by Government there were no means of shipping cargo and in the circumstances it was suggested that the Port Trust should not levy any extra wharfage fees.

The Committee found that they were unable to support a petition of this nature as a similar position arose with all steamship lines and if the Port Trust agreed its premises would become overcrowded with cargo. The obvious solution of the difficulty was for merchants to remove their goods from the docks.

Price Control.

On the outbreak of hostilities the prices of various commodities were raised by about 25 per cent. over those prevailing before the outbreak of war. Owing to the serious consequences which must arise if such a state was permitted to exist, the Government of Bombay issued in the first

instance an Ordinance fixing the maximum rates of the absolute essentials of life at 20 per cent. above the rates prevailing on the 1st of September 1939. A second Notification No. 3682/33, dated the 22nd September 1939 fixed the maximum price chargeable at a stage of the transaction of sale on grains, flour, beef, mutton, oils, medicines and drugs in the area in which such a sale was made as follows :—

(*a*) in the case of grains, flour, meat, grocery and oils, the price prevalent in the said area at such stage on the 1st September 1939 *plus* 10 per cent. on the amount of such price ;

(*b*) in the case of medicines and drugs, the price prevalent in the said area at such stage on the 1st September 1939 *plus* 20 per cent. on the amount of such price :

Provided that if in the said area there was no price prevalent for the sale of any of the kinds of the said commodities on 1st September 1939 at any particular stage of the transaction of sale, the price prevalent at such stage in the said area on a date immediately preceding the 1st September 1939 *plus* 10 per cent. or 20 per cent., as the case may be, on the amount of such price shall be deemed to be the maximum price chargeable at such stage.

As a result of a decision of the Government of India who instructed the Provincial Government to take into account the increased cost of production or importation in determining the maxima prices of controlled commodities, the Government of Bombay amended its notification of 22nd September 1939 which permitted an increase of a maximum of 10 per cent. for certain food articles and 20 per cent. for certain medicines and drugs over the prices prevailing on 1st September 1939. The new amendment dated 14th October 1939 provided that :—

(*i*) in the case of any of the said commodities produced in British India, if there has been an increase in the cost of production by a rise in the cost of raw materials or other materials necessary for its production, over the cost of such materials prevailing on 1st September 1939, or

(*ii*) in the case of any of the said commodities imported into British India, if there has been an increase in its landed cost over its landed cost on 1st September 1939 ; such increase in the cost of production or landed cost, as the case may be, shall be added to the price of the commodity prevalent on the aforesaid date and the

percentage allowed under clause (*a*) or (*b*), as the case may be, to constitute the maximum price chargeable at any stage of the transaction of sale of such commodity.

As the Committee of the Chamber understood that a meeting was to be held in Delhi between representatives of the Central Government and the various Provincial Governments to consider the general question of co-ordinating measures for price-control throughout India, they submitted the following views to the Government of Bombay on the question in October 1939 :—

(1) It is generally agreed that some form of price control during the period of war is likely to be necessary as has been found to be the case in the United Kingdom. The problem in India presents many difficulties except in the case of commodities the sale and distribution of which is controlled by Government in the National interests.

(2) Apart from commodities or articles, the sale of which is controlled by Government as mentioned above, it might be practicable to fix and control the prices of staple commodities and of standard articles which sell in considerable quantity but it is felt that it would be extremely difficult if not, in practice, impossible adequately and fairly to control either the wholesale or the retail selling prices of numerous other articles of trade.

(3) The main object should be to control the prices of commodities and articles necessary in the daily life of the people and for the successful prosecution of the war.

(4) In any form of control it is of vital importance that it should be directed by the Central Government so as to ensure that the prices are stabilised so far as is possible, having regard to local conditions throughout the whole of India. With that end in view it is considered that there should be one principal Price Control Board set up by the Central Government. Without co-ordination of some Central Authority the control of prices in the different Provinces would, it is feared, cause very great difficulty and lead to many inequities owing to variations in the control of prices for the same commodity or article in different Provinces.

(5) Following on the appointment of a Central Price Control Board, Provincial Advisory Boards should be set up, and in practice it would no doubt be found desirable for these Provincial Advisory Boards to appoint Sub-Committees representative of various trades or industries handling the goods the prices of which it may be found necessary to control.

(6) Business interests should so far as is possible be represented on the Central Price Control Board and the Provincial Advisory

Boards and Sub-Committees should be composed mainly of representatives of businesses and industries who can speak with authority on the conditions of manufacture, distribution and sale of any goods which it is found necessary to control.

(7) It is essential to manufacturers that if the prices of manufactured articles are controlled the raw product from which the manufactured article is produced must also be controlled.

Priority Assistance for Imports.

In November 1939, the Department of Supply of the Government of India, issued a Press Note regarding the introduction of a revised form on which to apply to that Department for priority assistance for imports. Under the new procedure importers were required to tender definite evidence that the articles to be imported could not be obtained by the date required except by priority assistance being accorded. The authorities in the United Kingdom had subsequently agreed that as the production of such evidence might seriously hinder the importers of India they were prepared to act on requests for priority assistance (submitted through the Department of Supply) on the simple assurance of a firm in India that it anticipated difficulties in obtaining and importing the articles by the required date without priority assistance.

The revised forms consisted of the following :—

(a) Instructions.
(b) W. S. B. — 5A.
(c) W. S. B. — 5B.
(d) W. S. B. — 5C.

The instructions regarding priority read as follows :—

I. *Priority required for articles for Definite Works or Orders—*

A. Departments of the Central Government, State Managed Railways and State Owned Company Managed Railways, Indian States, Provincial Governments and any other Indentors on the Purchasing Organisations of the Central Government.

1. Purchasing Organisations will handle indents in the usual way as in peace. No application for the issue of a Priority Certificate should be made until the firm awarded the contract gives evidence on Form W.S.B. 5A to the purchasing authority that priority in whole

or in part is necessary to enable the supply to be made to the using department. The purchasing authority will then move the Department of Supply on Form W.S.B.-5B for the necessary certificate, provided it is satisfied with the reasons given.

2. No priority application will be received by the Department of Supply from firms direct on behalf of their requirements for Government Contracts.

B. Privately owned railways and railways belonging to Indian States, etc., who do not purchase through the Indian Stores Department, public utility concerns, essential industries and Departments of any Government who do not purchase through the Purchasing Organisations of the Central Government.

3. Applications for priority assistance should be addressed to the Department of Supply on Form W.S.B.-5B by the authority who will ultimately use the goods. Applications from firms cannot be considered.

4. No application can be considered by the Department of Supply unless the information required to be stated in the form has been supplied in full.

5. In cases where associations, etc., have appointed gentlemen to act as liaison officers with the Department of Supply it is desirable wherever possible that such officers should countersign applications in token of their being reasonable in the quantities recommended.

II. *Priority required for article for the recoupment of stocks—*

6. Any stockist requiring priority assistance for the recoupment of stocks will apply to the Department of Supply on Form W.S.B.-5C.

Export of Wool.

In December 1939 the Associated Chambers of Commerce of India were invited by the Government of India, Department of Supply, to nominate representatives to attend a Conference at New Delhi to consider the Government of India's regulations concerning the export of wool.

The Chamber nominated Mr. L. A. Halsall and Mr. L. F. H. Goodwin to the Conference.

The meeting was presided over by Mr. Dow, the Member in charge of the Department of Supply. He made it clear that there was no intention on the part of Government to make any substantial change in the export regulations in force at the moment, as it was anticipated that after allowing for the quantity of wool required in India

and the United Kingdom, there would be very little, if any, surplus for export to other countries. He stated, however, that Government would modify their regulations so far as was reasonably possible so as to cause the minimum of inconvenience to the trade, at the same time he warned speculators against buying high priced wools in India and said His Majesty's Government intended to keep the controlled prices at about the existing level.

During the course of discussion it transpired that the position with regard to export business was as follows :—

(1) the export of black, grey and coloured wools from India was prohibited ;

(2) the export of white and yellow wools was confined to the United Kingdom only ;

(3) in view of (2) there was now no necessity for a quota to be allocated to exporters to the United Kingdom nor would licences be required for shipments to the United Kingdom. Exporters of such shipments would merely have to present their Shipping Bills to the Customs Authorities for endorsement and permission to ship would follow automatically.

Exports to Neutral Countries in Europe.

During December 1939 the Chamber's attention was drawn to the difficulties which were being experienced by exporters of cotton and other commodities to neutral countries in Europe owing to Customs regulations.

Permits to ship were only issued after proof of business was produced. The quantity permitted could not be estimated in advance so that freight could not be booked before doing business and in some cases shipping companies were refusing to book freight until the permit was produced.

The question was discussed by two representatives of the Chamber with the Customs Member, Central Board of Revenue, when they were informed that a quota had not yet been fixed in most cases for neutral countries. When they were, the amount due to each firm would be communicated to them privately. Firms would get the same proportion of quota as they had previously of shipments.

In the meantime firms could work on the assumption that they would be allotted permits to ship what they had shipped on the average in the past. Although the quota (and permits to ship before the quota was allotted) would be on a quarterly basis, shippers were not expected to ship the whole amount at one time. Difficulties with the Customs Authorities and the contraband control would be lessened if shipments were spread over this period as far as possible.

A quota, though allotted on a port basis, might be transferred from port to port.

Air Raid Precautions.

In August 1939 the Chamber received an invitation to nominate a representative to serve on an *ad hoc* Committee which the European Association suggested should be set up by the European Community to consider ways and means of organising the community in measures of Air Raid Precautions. The Committee nominated Mr. D. A. H. Windle.

At a meeting of the *ad hoc* Committee it was decided that the Chamber should take over the Malabar and Cumballa Hill Districts and if the Chamber agreed to undertake this work, should submit the names of any person for the position of Air-Raid Warden for the area in question. The Committee nominated Mr. Neville N. Wadia to act as a Warden for the district. Mr. Wadia set up an Advisory Committee who divided Malabar Hill into areas which corresponded with the postal beats. For each postal beat A. R. P. Wardens were appointed.

Educational Facilities.

In October 1939 the Government of Bombay advised the Chamber that the Government of India had intimated that they had reason to believe that a number of boys and girls who would otherwise have been returning to schools in Great Britain were likely to remain in India for an indefinite period. In the meantime the parents or guardians

of these boys and girls might be experiencing difficulty in many places in making adequate arrangements for the continuance of their education. Subject to the demand being sufficiently large to justify them in doing so, the Central Government was prepared to provide temporary educational facilities for such persons as might be required.

Details of the scheme were made available to members, who were requested to submit their applications direct to the Secretary to the Government of Bombay, Educational Department.

Dear Food Allowance to Staffs.

In December 1939, a special Sub-Committee of the Chamber was appointed to consider whether in view of the increased cost of living due to the war, a dear food allowance should be granted to staffs of members. During the last war a similar allowance was made by many firms in Bombay to their staffs. Members of the Chamber were asked by circular for an expression of their views on the following points:—

(1) whether a special war allowance to cover the recent heavy increase in the cost of food was desirable.

(2) if so, on what principle it should be based, for example, on a percentage of the scale of wages, on the slab system or by a lump sum monthly payment.

(3) whether different scales should be applicable to clerical workers and labourers.

(4) whether any steps had been taken to arrange for special facilities for members of the staff such as the establishment of wholesale grain depots.

The response to the Chamber's circular was good but there was considerable divergence of opinion in the views expressed. The letters from members were considered by the special Sub-Committee and in accordance with the majority opinion they recommended that consideration of increasing the wages of clerical staffs should be delayed

for the time being until it became evident firstly, whether or not the abrupt rise in the index figures in the cost of living which had in fact so far taken place only during the previous few weeks was likely to be permanent, and secondly, to what extent success would be met with as a result of the steps which were being taken by the Consultative Committee for Price Control appointed by the Government of Bombay, and the suggested opening of cheap grain shops by the Municipality. The Chamber's views in this matter were influenced by the fact that many firms introduced a dear food allowance towards the end of the last war which ultimately was consolidated in the wages of their staffs and had never been withdrawn. It was realised that the question of labour offered a rather different problem from that of the clerical staff and it was understood that so far as the textile industry was concerned, grain shops were being opened where employees could purchase grain at pre-war prices to the extent of 40 per cent. of their wages with a limit of Rs. 15 per month.

The Chamber recommended that in the case of small labour staffs and also menial staffs of commercial houses, a small temporary increase might be granted, where members regarded it as advisable.

ENDORSEMENTS ON GOVERNMENT SECURITIES.

A case of considerable importance to the mercantile community was decided by the Judicial Committee of the Privy Council in a judgment delivered on the 2nd May 1938 in connection with an appeal from a judgment of the Bombay High Court with reference to an endorsement on a Promissory Note which was proved subsequently to be a forgery. The purchaser of the note under a false endorsement had renewed the note, but it was held that the renewal of the note did not exonerate the purchaser from liability and that he would have to indemnify Government. Hitherto it had always been understood that a renewed Promissory Note gave a clean title to the holder of the renewed note

and that in consequence the liability for any defect in title prior to the obtaining of the renewed note would not rest with the holder of such note.

In addressing the Government of India in the matter the Committee stated that it was understood that the view of Government was that they considered that they had gone as far as could be expected when they were prepared to renew notes after reasonable scrutiny and investigation without insisting on indemnity except where there was some special reason for doubt, and to take their chance that the last endorser would be able to meet the claims of a previous holder should such claim be subsequently established.

The Committee welcomed this assurance and added that the view of Government that a renewed note constituted a separate contract whereby all subsequent holders of a renewed note could be assured of their claim on Government, provided only that the first party selling the renewed note was in fact the party in favour of whom the note was renewed, was acceptable as a statement of their wish and intention. They were, however, in some doubt as to whether this assurance of Government could be construed as having the force of law. The views expressed in the Government Securities Manual of 1921 had been construed in many quarters as giving very similar assurances. The Privy Council decision had proved that a generally accepted interpretation of the Government Securities Manual of 1921 was mistaken. It was feared that the assurance of Government, to which reference is made above, might in future be open to similar differences of interpretation in respect of some aspect of the law not apparent at the moment.

The Committee therefore submitted that in view of the publicity which the Privy Council case under reference had acquired, the time was not inopportune for an amendment of the law which would establish Government's view without fear of challenge in the future.

DELAYS IN OBTAINING STAMPS FROM THE STAMP OFFICE.

In May 1939 a complaint was received from a member regarding the delay which occurred in obtaining stamps from the Stamp Office. Under the existing procedure, unless cash was tendered a letter had to be addressed to the Stamp Office and a chalan was issued which in turn had to be forwarded with a cheque to the Reserve Bank and a receipt obtained on the chalan. The chalan had then to be re-presented to the Stamp Office to obtain the required stamps. This system caused considerable delay. In order to avoid this the member suggested that permission should be obtained for the chalan to be prepared in his own office and the amount to be paid by cheque direct to the Reserve Bank and the receipted chalan presented for the supply of stamps.

After considering the matter, the Committee informed the member that in their experience it was customary when forwarding requisitions for stamps, to send cash. It was extremely difficult to get a change of procedure in a matter such as this and they suggested that the member would be well advised to send cash and thus avoid all delay. If, however, this procedure did not suit his requirements, it was suggested that endeavours should be made to obtain permission for guaranteed cheques to be submitted which would amount to a cash payment, or as an alternative, for the bank to give a standing guarantee to meet his cheques.

The Chamber was subsequently advised that the Superintendent of Stamps had declined to enter into an arrangement whereby he would accept a standing guarantee from a bank to meet cheques.

ELIMINATION OF PIES IN BANKING TRANSACTIONS.

(*See Report for* 1924, *page* 51.)

It was recorded in the report for 1924 that at the Fifth Annual General Meeting of the Associated Chambers, the

following resolution was adopted :—

"That in the opinion of this Association, legislation to permit of the elimination of pies from all banking transactions in India should be considered by the Government of India."

A copy of the resolution was passed on to the Government of India who replied that they were in favour of the idea of introducing legislation, but suggested that it should be introduced as a private member's Bill and circulated for opinion. A Bill was accordingly prepared by the solicitors of the Associated Chambers and was referred to the Bombay Exchange Banks Association who were against the proposal. This Chamber consequently advised the Associated Chambers that no further action should be taken in the matter until the case was further reviewed.

In November 1939, the question was again raised by a member who pointed out that on taking the matter up verbally with several of their dealers, with the exception of a few they had all agreed with the proposal. The head office of this concern in Calcutta had circularised their dealers, bankers and other parties with whom they had monetary transactions and the scheme was welcomed by practically all concerned. They then wrote to the Bengal Chamber of Commerce who in turn circularised their members asking for views as to whether a move should be made to bring in the system generally either by legislation or by common agreement.

The Committee in the first place enquired the views of the Bombay Exchange Banks Association and as both the latter and the Committee were in favour of the introduction of the scheme, it was decided to address the Bombay Bankers' Clearing House on the subject. As, however, this was a matter for the various member banks of the Clearing Houses in India to decide and not merely a question for the Exchange Banks Association and commercial interests, the Bombay Bankers' Clearing House was requested to obtain the views of the Clearing Banks on the subject and transmit them in due course to the Chamber.

At the time of going to press advice was received that the majority of the members of the Bombay Bankers' Clearing House were in favour of the elimination of pies in banking accounts and cheques.

Copies of the Chamber's letter and of the above reply were sent to the Central Office of the Reserve Bank of India for their consideration and support.

THE BOMBAY FINANCE (AMENDMENT) ACT, 1939.

In February 1939, a Bill was introduced in the Bombay Legislative Assembly to amend the Bombay Finance Act, 1932.

The Bill fell into three parts all of which were designed to raise the money required for the policy of prohibition. The first two took the form of amendments to the Bombay Finance Act of 1932, in respect of the sections dealing with Electricity Duty, and Court Fees and Stamp Duties. The third part took the form of a new chapter added to the Act of 1932, the object of which was to enable Government to levy a tax on the letting value of houses and lands in urban areas.

1. *Electricity Duty.*—The Finance Bill sought to make two main changes in this respect. The exemption of consumers using not more than 12 units in a month was to be cancelled. The rate of duty was raised to 1¼ annas in the City of Bombay. The increase in duty was ¼ anna but Government claimed to have persuaded the B.E.S.T. Company to reduce their rates to consumers by a little over ½ anna. It was thus calculated that consumers would benefit even after the extra duty had been imposed.

2. *Stamp Duties.*—In certain areas including the City of Bombay, stamp duties were to be raised according to a printed schedule in proportion to the value concerned.

3. *Urban Immovable Property Tax.*—Government was to be enabled to levy a tax of 10 per cent. on the rateable,

i.e., letting value, of houses and lands in urban areas. In the first instance the tax was to apply only to the City of Bombay and its suburbs up to Thana, and to Ahmedabad.

The Chamber appointed a special Sub-Committee to examine and report on the Bill.

Several amendments were put forward by the Sub-Committee and it was unanimously agreed that in the first place the European Group should recommend that the Bill be sent to a Select Committee or failing this, be circulated for opinion, and if those recommendations were not successful, the amendments to clauses of the Bill which had been drafted by the Sub-Committee should be moved. These views were passed on to the European Group in the Bombay Legislative Assembly. The Bill was finally passed by the Legislative Assembly on the 1st of March 1939 and by the Legislative Council on the 17th of March, and received the assent of the Governor on the 28th of the same month.

Under the Act the changes proposed in Part I, Electricity Duty, as mentioned above, came into force. With regard to Stamp Duties, these were raised on conveyances in accordance with the printed schedule on the principle that the incidence should be higher in urban than in rural areas.

With regard to the 3rd part, Urban Immoveable Property Tax, Government imposed a tax of 10 per cent. on the rateable value of houses and lands in certain areas. The following properties were, however, exempted from the Act :—

1. Property exclusively used for public worship or charitable purposes, but not if trade was carried on in it or rent derived from it.
2. Central Government property.
3. Property of Provincial Government, Local or Cantonment Boards, not used for profit.
4. Port Trust property not used for profit.

Some modifications were introduced in the Act such as the rate to be assessed was 5 per cent. only on property of less than Rs. 2,000 rateable value in Bombay, and less

than Rs. 1,000 in Salsette and Ahmedabad, and secondly tax was to be entirely remitted on property of less than Rs. 500 in Bombay and Rs. 200 in Ahmedabad.

In consequence of the levy of the Urban Immoveable Property Tax a further Bill was published in April with the object of restricting the increase of rents of premises the standard rent of which did not exceed Rs. 80.

The Chamber's representative on the Assembly was instructed to oppose the Bill on the ground that the levy of the Urban Immoveable Property Tax was consequent only on the introduction of Prohibition, a policy which the Chamber viewed with disfavour. The Bill was, however, passed by both Houses in April 1939 and received the assent of the Governor on the 5th June 1939. In view of the fact that attempts had been made in the City of Bombay to dissuade people from paying the Urban Immoveable Property Tax, Government considered it necessary to tighten up the procedure for recovery. A Bill was accordingly introduced in the Assembly in August 1939 and received the assent of the Governor in September, which enabled Government to levy a penalty for default.

INSURANCE EFFECTED OR CONTROLLED BY GOVERNMENT.

The following announcement appeared in the Public Information Series for the month of June 1939, issued by the Government of Bombay :—

"With a view to encourage Indian Insurance Companies, Government has issued orders that all insurance effected or controlled by Government or its officers shall be placed with Indian Insurance Companies, i.e., Companies which have at least 75 per cent. Indian directorate and 75 per cent. Indian capital. After discussion with the various interests involved Government has also decided that 80 per cent. of the risk to be covered should be insured with the Indian Insurance Companies Association Pool under policies based on the joint and several liabilities of the Companies which are members of the Pool and the remaining 20 per cent. should be insured with the New India Assurance Company, Limited, on its sole liability."

The attention of British Insurance Companies, members of the Chamber, was drawn to this announcement and they were asked whether individually or in combination with other British Insurance Companies it was proposed to take any action. It was the opinion of the Chamber that in so far as this was a matter which primarily concerned British Insurance Companies, it was for them to decide what action, if any, should be taken.

The Insurance Companies did not, however, deem it necessary to take action.

INSURANCE (AMENDMENT) BILL, 1939.

(*See Reports* 1934, *page* 45; 1935, *page* 58; 1936, *page* 32; 1937, *page* 54 ; 1938, *page* 36.)

In February 1939 the European Group, Indian Central Legislature, forwarded for the views of the Chamber a Bill to amend the Indian Insurance Act 1938. The object of the Bill was to remove from the Insurance Act 1938 a number of defects before that Act was brought into force. The Bill also proposed to make it clear that insurers who set up organisations outside British India and operated through agents in British India were within the scope of the Act. Further in view of projected legislation in certain Indian States on lines similar to the Insurance Act 1938, certain disabilities would be imposed on insurers registered under the Act which would seriously impede the development of their business outside British India. The amending Bill was designed to give relief in such cases without impairing the security for policyholders in British India.

The Committee appointed a Special Sub-Committee to examine the various clauses of the amending Bill.

The following recommendations were submitted to the European Group in the Central Legislature for suitable action :—

Clause 15.—" In Section 39 of the said Act,—

(*a*) in Sub-section (1), after the words 'The holder of a policy of life insurance' the words 'not being an absolute assignee of the benefits under the policy,' shall be inserted ;

(*b*) to sub-section (2) the following shall be added, namely :—

'but unless notice in writing of any such cancellation or change has been delivered to the insurer, the insurer shall not be liable for any payment under the policy made *bona fide* by him to a nominee mentioned in the text of the policy or registered in his records.';

(*c*) in sub-section (3) for the word 'endorsement' the words 'cancellation or change' shall be substituted."

The amendment proposed in Section 39 of the Act was acceptable to the Chamber provided the definition of "policy holder" in Section 2(2) of the Act was amended to read :—

"policy holder means the person whose life is insured or the person who is the absolute assignee of the benefits under the policy."

Clause 20.—"In section 50 of the said Act, for the words 'within three months of the lapsing of a policy of life insurance,' the words 'before the expiry of three months from the date on which the premiums in respect of a policy of life insurance ceased to be paid,' shall be substituted."

The Chamber recommended that the last four words in the proposed amendment to Section 50 of the Act ("ceased to be paid") should be deleted and substituted by the words "become due for payment." The period in which the notice must be issued would then be clear which it was not as the amendment was drafted.

4th Schedule.

In view of the substitution of the words "a Principal Officer" for "the Principal Officer" in Section 28(1), the Chamber recommended that the same alteration should be made in the 4th line of the second paragraph of Clause 4 of this Schedule.

The amendments proposed to Clause 15 and the 4th Schedule were not accepted. Clause 20 was however amended in Select Committee by the insertion of the words "were payable but not" after the words "Life Insurance" in the 5th line. This met the point raised by the Chamber.

The Amendment Bill was passed by both Houses of the Legislature and received the assent of the Governor-General

on the 28th March 1939. The Act of 1938 and the Amendment Act of 1939 came into force simultaneously on the 1st day of July 1939.

INSURANCE ACT, 1938—SECTION 27(4).

APPOINTMENT OF TRUSTEES.

Under sub-section (4) of section 27 of the Insurance Act IV of 1938 the assets to be held invested by an insurer must be vested in "trustees resident in British India and approved by the Central Government . . ." During February 1939 the Bombay Exchange Banks' Association requested the Chamber to obtain confirmation that Banks of standing whether indigenous or otherwise could be certain of coming within the scope of the terms "trustees resident in British India," in view of the long business connections with certain Insurance Companies, many of whom it was thought would wish to appoint their own Bankers to fulfil the duties of trustees under Section 27(4) of the Act. It was ascertained from the European Group that the Government of India did not propose to state the qualifications required by those who might be appointed trustees, but that they were prepared to consider actual suggestions, and that any responsible "person" of assured respectability would apparently be acceptable.

DRAFT RULES UNDER THE INSURANCE ACT, 1938.

(*See Reports* 1934, *page* 45; 1935, *page* 58; 1936, *page* 32; 1937, *page* 54; 1938, *page* 36.)

It was recorded in the Chamber's Report for 1938 that the Committee had referred to a Special Sub-Committee a draft of certain rules which it was proposed to make in exercise of the powers conferred by Sub-sections 1 and 2 of Section 114 of the Insurance Act, 1938, read with Section 22 of the General Clauses Act 1897. The Committee addressed the Government of India on the lines of the Sub-Committee's Report.

In April 1939 the Government of India published under Notification No. 597-I(1)/38 dated 1st April 1939 revised draft rules, certain sections and phrases of which differed from the original draft rules.

After referring these revised rules to the same Special Sub-Committee, the Committee informed the Government of India, Department of Commerce, that it was noted that the whole of the Rule numbered 4 in the first draft had been omitted as the intention of this rule had been specifically provided for in Clause 2(*b*) of the Insurance Act Amending Bill 1939. The Committee's comments on other sections of the Bill were as follows :—

Deposits with Bank.—Clause 5(3).—The Committee objected to the proposal that securities should be deposited only with the Reserve Bank in Calcutta and recommended that deposits should be made permissible at any branch of the Reserve Bank of India.

Maturing of deposits—Clause 7.—Six weeks' retention was considered far too long a period and the discharge value should be put at the disposal of the depositor within a maximum period of 14 days. This was a matter of importance where large sums were involved.

Interest and dividends on deposits—Clause 8(2).—The provision that interest or dividends on sterling securities should be remitted to India was not acceptable. The Committee stated that it should be dependent on the wish of the insurer since the company might desire to retain such interest in sterling in London to meet obligations to Indian policyholders temporarily resident there or the company might take the view that the exchange rates prevailing between London and Bombay were likely to improve or again the company might wish to accumulate such interest for re-investment in sterling securities.

The remarks under Clause 5(3) applied also to the remittance of funds to the Calcutta Office of the Reserve Bank.

Clause 8(3).—This sub-clause provided for a charge of four annas per Rs. 100 for remitting interest, etc., to any centre in India required by the insurer. It was considered that this commission was excessive and should be reduced to one anna per Rs. 100.

Prospectuses and tables under Section 41(1)—*Clause* 12(*b*).—The choice of the word "rebate" was considered unfortunate, as in common practice it was applied chiefly to illicit commissions. It was suggested that in place of the words "rebates of premium will be allowed" there should be substituted the words "discounts off premiums allowed or reduced premiums charged."

INSURANCE LEGISLATION IN INDIAN STATES.

Mysore Insurance Bill, 1937.

Towards the end of December 1938 the Associated Chambers of Commerce of India enquired whether this Chamber was in favour of the Association making representation in connection with the Mysore Insurance Bill, 1937 with a view to ensuring that arrangements would be made whereby an insurer who had made deposits with the Government of India under the Indian Insurance Act of 1938, should be exempt from the obligation of making a deposit with the Government of Mysore under the proposed Mysore State legislation which it was understood at that time awaited the third reading.

The relative section of the Mysore Insurance Bill read as follows :—

"Where by the law or practice of any country outside Mysore in which an insurer carrying on insurance business in Mysore is constituted, incorporated or domiciled, insurance companies incorporated in Mysore are required as a condition of carrying on insurance business in that country to comply with any special requirement whether as to the keeping of deposits or assets in that country or otherwise which is not imposed upon insurers of that country under this Act, the Government shall if satisfied of the existence of such special requirement by notification in the official *Gazette*, direct that the same requirement,

or requirements as similar thereto as may be, shall be imposed upon insurers of that country as a condition of carrying on the business of insurance in Mysore."

The Committee informed the Associated Chambers that they were of opinion that representations should be made in the matter.

The Associated Chambers accordingly drew the attention of the Government of India to the provisions of two Bills introduced in Mysore and Kashmir which closely followed the wording of the Indian Insurance Act 1938 and repeated important provisions contained in that Act with reference to (*a*) the registration of insurance companies; (*b*) deposits for life, fire and accident insurance; (*c*) the annual filing of detailed accounts; (*d*) compulsory investments—in the case of the Mysore Bill—in State Government securities and in other "approved" securities; (*e*) restrictions on the payment of commission to agents, the prohibition of rebates on commission or premia and the licensing of agents; and (*f*) the setting up of an Insurance Department to administer the Act. While welcoming this move on the part of the Indian States to standardise insurance practice and law throughout the country, the Associated Chambers attached considerable importance to the duplication which the enactment by the States concerned of separate legislation on these lines would involve and the hardships which would result from it, particularly in the matter of deposits and, in the case of Mysore, compulsory investments in respect of life assurance liabilities. The Indian Insurance Act contained powers to exempt from the provisions of section 6 relating to deposits, and from the provisions of section 27(2) relating to the keeping of assets in India, any insurer constituted or incorporated in an Indian State; and the Chambers were aware that reciprocal provisions of a like nature were, where applicable, contained in the Kashmir and Mysore Bills. The purpose of the legislation was to discourage the promotion and operations of insurers of inadequate financial standing, while the apparent intention of the

reciprocal clauses of the Indian State legislation mentioned above was to avoid duplication. But these clauses—certainly in the case of the Mysore Bill, and probably also in the case of Kashmir, would merely serve to relieve insurers incorporated or domiciled in British India or in an Indian State and would impose a severe disability upon other insurers, many of whom might not feel justified in locking up in the States the considerable deposits contemplated and would in such circumstances have no alternative but to close down their existing business in these States, with consequent hardship upon policyholders. On these grounds, and because independent legislation on the lines proposed would deprive many insurers of indisputable financial standing of the business and goodwill they had developed in the Indian States concerned, the Associated Chambers requested the Government of India to use their influence with these States to persuade the latter to take powers to exempt insurers who came within the scope of the Indian Insurance Act, 1938, from the provisions of the State legislation relating to deposits, compulsory investment, the filing of detailed accounts and the like.

The Government of India replied that the matter had been carefully considered, but they were not at the moment in a position to announce their final decisions on the matter.

MARINE INSURANCE POLICIES.

ASSIGNABILITY AND SUBROGATION.

(*See Reports* 1937, *page* 230 ; 1938 *page* 39.)

It was recorded in the Chamber's Report for 1938 that a resolution in the following terms was adopted at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 21st December 1936.

"This Association urges upon the Government of India the necessity of enacting without delay legislation in British India embodying the provisions of the Marine Insurance Act, 6, Edw. VII,

1906, and of amending Sections 6 and 135 of the Transfer of Property Act, 1882, so far as they conflict with Sections 50 and 79 of that Act which provide for the assignment of Marine Policies either before or after loss and for the right of subrogation respectively."

In May 1937 the Government of India replied that they were unable to consider the resolution on the grounds that their legislative programme at that time was too heavy to admit of their giving the matter immediate attention.

The Committee considered that the subject was one which required early attention, and it was felt that as other legislation had been passed recently dealing with matters relating to insurance the time was also appropriate for the Government of India to examine the suggested measure. A similar resolution was accordingly moved at the annual general meeting of the Associated Chambers which was held at Calcutta on the 19th and 20th of December 1938. This Chamber was subsequently advised through the Associated Chambers that the Government of India had stated their inability to concede that the question was of an urgent character and that they had nothing to add to their previous communication of 1937.

WAR RISK INSURANCE AND OTHER CHARGES ON ACCOUNT OF WAR.

Liability on Buyer and Seller.

In September 1939 the Calcutta Import Trade Association enquired what policy this Chamber intended to adopt in connection with the increased expenses incurred on goods which had already been ordered from abroad against orders or contracts received from customers in India prior to the outbreak of war. Particular reference was made to increased war risk insurance, increased freight and the question of the delays in delivery and the possibility of manufacturers or shippers F.O.B. prices having been increased since quotations were submitted by agents in India.

In reply to the Calcutta Import Trade Association the Committee stated that it was their unanimous view

that any increase in manufacturer's prices, war risk insurance, freight, etc., was for seller's account, unless the contrary had been specifically mentioned in the contract. It was, however, to be borne in mind that a contract and a quotation were two entirely different things. In the case of a quotation, unless it was firm and had been accepted prices could be amended to meet such increases as had been referred to above. In the case of a contract settlement must depend on the actual terms of the contract.

WAR RISK COVER FOR FORWARD SHIPMENTS.

(*See Reports* 1935, *page* 212 ; 1937 *page* 228 ; 1938, *page* 186.)

It was recorded in this Chamber's Report for 1938 that in September of that year the Karachi Chamber of Commerce had asked for the views of this Chamber on a proposal that war risk should be on buyer's account in regard to importing business in piecegoods. In October of the same year the Associated Chambers also requested the views of the constituent Chambers on a letter received from the Karachi Chamber on the same subject.

In the penultimate paragraph of their letter the Karachi Chamber stated that it was their considered opinion that the principle in question was eminently fair and imposed no hardship on the buyer, in fact, there would be occasions where the buyer would profit by acceptance of this principle.

It was observed from the replies received from the constituent Chambers that the opinion was that war risk insurance should be for buyer's account ; that attempts should be made to secure the general acceptance of this principle ; that as the matter was necessarily one for ultimate settlement between the individual buyer and seller, provisions should be inserted in all future contracts imposing this liability on the buyer who should cover the risk by insurance at whatever premium was in force at the time of shipment.

In view of the importance of the matter and in pursuance of the policy of endeavouring to obtain the general acceptance of the principle referred to above the Associated Chambers forwarded copies of the above papers to the Federation of Chambers of Commerce of the British Empire and the Manchester Chamber of Commerce for an expression of their opinion. The Manchester Chamber were unable to secure unanimity for the Karachi Chamber's proposal amongst their members exporting to India. The Federation of Chambers of Commerce also felt that it would be very difficult to secure uniformity on such a point and considered that the matter was probably best left for individual settlement between buyer and seller. In regard to the Associated Chamber's note that war risk insurance should be for buyer's account at whatever premium was in force at the time of shipment, the Federation of Chambers of Commerce drew attention to a provision which was quite common in Mincing Lane contracts to the effect that sellers should undertake the cost up to a specified amount, e.g., half per cent. of war risk insurance and that any additional cost should be on buyer's account subject to notification of the increase being given by sellers to buyers at the time of shipment.

In view of the above replies the Committee considered that no further action could be taken at the moment and that the matter was one for settlement in individual contracts.

Subsequently information was received from a member that Karachi firms had reached a decision to sell to dealers on the basis of war risk insurance premium up to ¼ per cent. only on sellers' account; any extra to be paid by buyers.

AMENDMENT OF INCOME-TAX LAW IN BRITISH INDIA.

(*See Reports* 1934, *page* 54; 1935, *page* 44; 1937, *page* 37; 1938, *page* 30.)

It was recorded in the report for 1938 that the Chamber had submitted its views to the Central Board of Revenue

on a Bill to amend the Income-tax law in British India; the Bill was passed by the Legislative Assembly in December 1938, and by the Council of State early in February 1939. It received the assent of the Governor-General on the 17th February 1939.

INCOME-TAX (AMENDMENT) ACT, 1939.

Rates of Depreciation.

In January 1939 the Associated Chambers drew the attention of the constituent Chambers to the revised rates of depreciation which would be introduced in consequence of the change from the original cost basis to the written down value basis. Members were accordingly advised on the 10th of January 1939 that the Indian Income-tax (Amendment) Act, 1939, changed the basis for the calculation of depreciation allowances for Income-tax assessments from an annual percentage on the 'original cost' to a percentage on the written down value, i.e., on the 'original cost' less all depreciation allowed in previous years. Members interested were requested to supply the Chamber with their views on the subject together with supporting figures stating the type of asset to which the figures applied. The two main points at issue were the following:—

(1) whether the present "assumed life" of the various classified items as allowed in the existing Income-tax Rules was fair and reasonable; if not what alterations were suggested.

(2) what "written down" rates would fairly correspond to the unvarying annual rates for the various classifications.

After obtaining the opinions of interested members the subject was referred to a special Sub-Committee for examination. The Committee adopted the recommendations of the special Sub-Committee and forwarded them to the Associated Chambers.

In June 1939 the Associated Chambers informed this Chamber that a circular letter had been received from the Federation of Indian Chambers of Commerce and Industry suggesting that in view of the new rates of depreciation which were to be brought into effect from April 1940, a conference of all the industrial interests concerned should be called by the Central Board of Revenue either in Simla or New Delhi to discuss this question fully.

The Committee informed the Associated Chambers that they approved of the suggestion but pointed out that Government in the first place should collect the views of the various bodies concerned, after which Government's proposal should be formulated for submission to these bodies for their consideration. If there was then found any considerable divergency of opinion the proposed conference could be advantageously called.

Subsequently this Chamber received a copy of a letter addressed by the Central Board of Revenue to the Federation of the Indian Chambers of Commerce and Industry to the effect that the Board had come to the conclusion that as the rates of depreciation had to be fixed after a detailed consideration of the facts relevant to each separate class of assets, and as the number of classes was large, an all-India conference to be held before any rates had been proposed by the Board would serve no useful purpose. The present intention, therefore, was to publish the rates proposed by the Central Board of Revenue for general consideration and for comments within a period of not less than two months. If, after considering the written comments on the proposed rates, it appeared that oral discussion on particular rates would serve a useful purpose before the rates, as modified in the light of the written comments, were published in the form of a Rule under the Income-tax Act, an opportunity would be given to the interests concerned for such discussion, either at important centres such as Bombay and Calcutta or at an all-India conference. The Central Board of Revenue considered that the adoption

of such a course would be in the best interests of all parties concerned.

In August 1939 the Central Board of Revenue published in the *Gazette of India* the proposed schedule of rates of depreciation for income-tax assessment for the years 1940-41 onwards. A copy of Government's recommendations was circulated to members likely to be affected by the new rates and suggestions were called for in order that the Committee might express fully the views of members.

In the meantime a communication was received from the Federation of Indian Chambers of Commerce and Industry inviting the Chamber to nominate a representative to attend a conference of the various industrial interests to consider questions arising out of the Central Board of Revenue recommendations. At this conference the following points were raised :—

I. "That this Conference, representing the industrial interests in the country, having considered the proposed schedule of rates of depreciation allowance as notified by the Central Board of Revenue under their Resolution No. 63, dated 5th August 1939, puts on record its considered opinion that the object of Government in introducing the new basis of 'Written-down value' in place of the present 'prime cost value' in the Income-tax Amending Bill was to enable the Income-tax Administration to keep track of the depreciation allowed in respect of the asset and not to alter fundamentally the structure on which the present depreciation rates are based ; in fact, it was intended that rates of depreciation would be increased so as to ensure that adequate provision can be made for the renewal of an asset at the expiration of its economic life."

II. "That this Conference is further of opinion that the contention put forward by the Central Board of Revenue that the proposed rates should follow similar rates prevailing in the United Kingdom is unreasonable and irrelevant in as much as the conditions under which an asset is used in India vary materially and are not comparable to those under which a similar asset is used in the United Kingdom. Factors such as, the technical skill of the workers in handling the plant and machinery, the intensity of operation of an asset, the nature of the raw materials used, the climatic conditions and the actual experience over a long period of the industrialists concerned

regarding the use of a particular asset, which ought to be fully taken into account in ascertaining its prospective and economic life, are entirely ignored by the Central Board of Revenue in proposing the new rates."

III. The conference therefore urged that :—

(*a*) the Central Board of Revenue should so fix the rates for depreciation allowance as to enable the user of an asset to write off at least 92 per cent. of its value within the period of its assumed economic life, and that these rates should not be arbitrarily determined, but should be finally fixed by the Central Board of Revenue in agreement with the interests which represent the users of depreciating assets in the various industries;

(*b*) the Central Board of Revenue should provide for the granting of increased depreciation allowances in any case where the industry concerned can substantiate its claim thereto on grounds such as overtime, continuous working, as has been done by the Board of Inland Revenue in the scale of wear and tear allowances in the United Kingdom.

(*c*) the Central Board of Revenue should recognise the special claims of the shipping industry and tramways in India for treatment similar to that accorded to these industries in the United Kingdom by providing for depreciation allowance to be calculated at the percentage fixed at present on the original cost basis."

The Chamber was unable to send a representative to attend the Conference but Sir Homi Mody, President of the Employers' Federation of India and the Chairman of the Conference, was informed that in the main the Committee approved of the above resolutions.

In dealing with the recommendations of the Central Board of Revenue the Committee expressed the view that, with certain minor exceptions in the Schedule, they were in agreement with the views set out by the Bengal Chamber in their report to Government. The Schedule to this report is reproduced in the Appendix. In that representation the Board's attention had been drawn to an assurance given by Mr. S. P. Chambers in the Indian Legislative Assembly that the intention was that for each class of asset the rate would be such as would reduce the value of the asset to its

scrap value at the end of its life, and with this principle in view the Committee emphasised the fact that the rates of depreciation now recommended had been so calculated as to wipe off the value of the asset over its expected life leaving approximately 8 per cent. in the last year as representing a possible scrap value. In this connection Government undoubtedly recalled the circumstances connected with the adoption of the written-down value basis for purposes of depreciation under the Income-tax Act, and that the Experts Committee, who while recommending a change over to the written-down value basis, readily acknowledged that "obviously higher percentage rates would be necessary under the written-down value basis to give corresponding results."

The Chamber also endorsed the view expressed by the Bengal Chamber that in India where great extremes of heat, cold and moisture existed and the quality of labour was less skilled and less likely to exercise the same amount of care in operating machinery there was an undoubted tendency for an asset to deteriorate much more quickly than in the United Kingdom. They did not consider therefore that the United Kingdom rates could be accepted as indicative of the rates that should be applied to similar assets in this country. It was therefore particularly stressed that the rates of depreciation to be allowed must be directly related to the estimated useful life of each asset, in the determination of which Government should be guided mainly by the accumulated experience of the users of those assets in this country.

A careful consideration was given by the Committee to the schedule of rates of depreciation as proposed by the Bengal Chamber and also the recommendations made by the Federation of Indian Chambers of Commerce. These proposals were in the main identical and the Chamber therefore accorded their full support to all the items mentioned therein except with certain minor modifications in rates and classifications which are set out below.

II. MACHINERY, PLANT OR FURNITURE.

Under 'Machinery' the following sub-divisions were recommended :—

Prime Movers.	
(*a*) Steam	10%
(*b*) Internal Combustion	12%
(*c*) Water Power	7½%
Saw Mills	10%
Motor Cars	30%
Wiring and Fittings of Electric Light and Fan Installations	20%

The Committee also suggested that the following classifications not at present contained in the Government Schedule should be added, together with the recommended rates :—

II. MACHINERY, PLANT OR FURNITURE.	
Cotton Mills—	
Buildings	5%
Machinery	10%
Electric Machinery	15%
Bleaching and Dyeing Machinery	15%
Tin and Can Making Machinery	12%
Road Making Plant and Machinery	20%
Printing Presses	10%
III. ELECTRICAL MACHINERY.	
Domestic Electrical Appliances on Hire	45%
Electric Meters	22½%
VI. MINERAL OIL CONCERNS.	
Kerb Side Petrol Pumps	20%
Tank and Hand Carts	15%
Returnable Packages—	
2 Gallon Tins	50%
4 Gallon Drums	20%
40/65 Gallon Casks	20%

Early in December 1939 the Central Board of Revenue issued a notification stating that it was proposed to hold between January 15th and 31st, 1940, a series of discussions with representatives of Chambers of Commerce, Trade Associations and other interested organisations on the income-tax depreciation rates. The Chamber was requested to send representatives to attend these discussions.

The Committee informed the Central Board of Revenue that the Chamber would be sending a representative but that he would be working in collaboration with the Committee which met in Calcutta in October 1939 under the Chairmanship of Sir Homi Mody, K.B.E., whose views received the support of this Chamber.

Mr. L.A. Halsall attended the conference on behalf of the Chamber.

INCOME-TAX (AMENDMENT) ACT, 1939.

SHIPPING COMPANIES—CARRY FORWARD OF LOSSES AND DEPRECIATION.

In January 1939 the Ceylon Chamber of Commerce asked for the views of this Chamber with regard to the application of the Income-tax (Amendment) Act, 1939, to the carry forward of losses and depreciation in the case of steamship companies.

The Committee informed the Ceylon Chamber of Commerce that the position was as follows :—

1. The carry forward of unabsorbed depreciation would be retained.

2. Unabsorbed depreciation in existence before the passing of the new Act would be consolidated in a new written-down value, which was defined as original cost less depreciation to which the assessee had been entitled, plus depreciation which the assessee had not been able to take advantage of.

3. This new written-down value would then be subject to the depreciation provided for in the new Act.

4. The new Act would permit a carry forward of business losses for six years—during the first six years it would be brought in in easy stages of one year at a time.

5. Statutory depreciation under the new Act would be available subject to the maximum rates fixed. When not used, it would remain for use at any future time by virtue of the retention of the following provision in the new Act :—

" (*b*) where full effect cannot be given to any such allowance in every year not being a year which ended prior to 1st April 1939 owing to there being no profits or gains chargeable for that year, or owing to the profits or gains chargeable being less than the allowance, the

allowance or part of the allowance to which effect has not been given, as the case may be, shall be added to the amount of the allowance for depreciation for the following year and deemed to be part of that allowance, or, if there is no such allowance for that year, be deemed to be the allowance for that year, and so on for succeeding years."

6. In the event of the statutory depreciation in any one year being less than the profit for that year, unabsorbed depreciation which existed prior to the passing of the Act could not now be used to create a *nil* assessment.

INCOME-TAX (AMENDMENT) ACT, 1939.

Taxation of Pensions paid outside India.

In February 1939 the Chamber was informed by the European Group, Central Legislature, that as some confusion appeared to exist as to how the provisions of the Income-tax (Amendment) Act would affect the taxation of pensions paid outside British India and salaries earned in British India but payable abroad, they had drawn up an explanatory memorandum setting out their views on the interpretation of the provisions of the Act.

In their opinion, pensions came under the head "Salaries," and in the absence of specific provision income under this head arose where it was payable. Although all other income under the head "Salaries" was specifically deemed to accrue or arise in British India if it was earned in British India even if it was payable abroad, pensions were excluded from this provision. (See *Explanation* 2 of Section 4(1).)

In the case of salaries earned in British India but payable abroad (other than pensions) since, by the explanation referred to above, they were chargeable to income-tax, if the employer failed to deduct tax (and this might be due to his legal inability to do so if the contract was made abroad) then under the new Section 4(*a*) deduction of the salary in the employer's accounts could be refused. It should be observed, however, that such refusal could only take place *if the salary was chargeable to tax*, so that the deduction must be given in respect of pensions payable

abroad since, as explained above, these were not so chargeable. The same applied to salaries payable abroad in respect of services entirely abroad—these were not caught by *Explanation* 2.

The net result therefore was that pensions payable abroad in respect of services in India were not taxable on the recipients and must be allowed as a deduction in the employer's accounts.

INCOME-TAX (AMENDMENT) ACT, 1939.

Deduction of Income-tax from Salary, Etc.

In May 1939 the Central Board of Revenue issued a Memorandum of Instructions drawing the attention of all persons responsible for paying any income chargeable under the head "Salaries," to the changes introduced by the Indian Income-tax (Amendment) Act, 1939, and to the withdrawal of the exemption from tax on leave salaries and leave allowances paid in the United Kingdom or in any colony.

The memorandum was placed at the disposal of members.

INCOME-TAX AMENDMENT ACT, 1939.

Residence in India.

Members were advised under this office circular No. 1826/93 of 6th July 1939 that the British National Committee of the International Chamber of Commerce had requested through the Associated Chambers of Commerce of India that any case of hardship arising out of the definition of 'residence' in Section 4(*a*) of the Income-tax Act, should be brought to their notice.

In the event therefore of such a position arising members were requested to inform the Chamber who in turn would report the matter to the British National Committee of the International Chamber of Commerce.

DOUBLE INCOME-TAX RELIEF.

INDIAN STATES.

(*See Reports* 1937 *page* 40 ; 1938 *page* 31.)

It was recorded in the Chamber's Report for 1938 that the Associated Chambers of Commerce of India had addressed the Government of India on the need for definite arrangements being made with Mysore State whereby complete relief from double taxation would be obtainable without any question of an Income-tax Officer having powers arbitrarily to decide the amount on which the relief would be granted. The Associated Chambers also urged that a satisfactory and definite solution of the problem between the Government and the other Indian States should be negotiated.

In September 1939 the Government of India published under Finance Department Notification No. 69 dated 16th September the Income-tax (Double Taxation Relief) (Indian States) Rules 1939, Rule 3 of which reads as follows :—

"If any person who has paid by deduction under Section 18 of the Indian Income-tax Act, 1922, or otherwise, Indian income-tax for any year on any part of his income proves to the satisfaction of the Income-tax Officer that he has at any time paid by deduction or otherwise State income-tax in respect of the same part of his income, he shall be entitled to the refund of a sum calculated on that part of his income at a rate equal to half the State rate of tax :

Provided that the rate at which the refund shall be given shall not exceed one-half of the Indian rate of tax."

INCOME-TAX RULES, 1922.

AMENDMENT OF RULES 2 TO 6 AND 19.

In August 1939 the Chamber's attention was drawn to Notification No. 59 of the *Gazette of India* dated the 22nd of July 1939 regarding certain draft amendments to the Income-Tax Rules.

One of the draft amendments required a return of income on behalf of a firm to be signed by each of the partners personally. It was the opinion of the Chamber's

Income-tax Sub-Committee that if this was insisted upon, a return of a firm in a great number of cases could not possibly be made to the Income-tax Officer within the time prescribed, because of the fact that one or more partners of a firm might be and usually were in the case of European firms on leave out of India when the return was made up and sent in.

If the underlying intention of these amendments was to require each partner to certify the return individually and to fix him with responsibility for so doing, then he could only do so from the books of the firm which would not be available to him if he was on leave out of India. In these circumstances it was suggested that the words " or by a duly constituted attorney " be inserted after the word " personally." These views were forwarded for consideration to the Government of India, Revenue Department.

In reply the Central Board of Revenue drew the Chamber's attention to sub-rule (2) (*d*) of Rule 19 published with Notification No. 78-I. T., dated 7th October 1939, which stated that in the case of a firm the declaration appended to the form of return had to be signed by a partner and not by all the partners.

INCOME-TAX ACT, 1922.

Application of Rule 33 National Defence Contributions.

In July 1939 it was suggested by a member that a representation might be made by the Chamber to the Central Board of Revenue with a view to securing that sums paid on account of National Defence Contribution to the British Government by non-resident assessees, held liable to Indian Income-tax under the provisions of Section 42 of the Act, should be allowed as a deduction in computing the profits to be assessed.

National Defence Contribution was admittedly a tax on Income but was allowed as a charge against profits for purposes of the United Kingdom Income-tax by special

notification in that behalf. It was suggested that it would not be unreasonable, for purposes of Indian Income-tax also, to vest it with the character of an expense of the business and so allow it as a deduction. The assessee did not otherwise secure complete relief from the double taxing of his profits and the purpose of the reciprocal provisions for the grant of relief was to that extent vitiated.

The Committee supported this suggestion and addressed the Secretary, Government of India, Finance Department, in the above terms.

In reply the Central Board of Revenue stated that they were unable to accept the suggestion made by the Chamber.

REGISTRATION OF TRADE MARKS IN INDIA.

(*See Reports*, 1876-77, *page* 27 ; 1877-78, *page* 33 : 1878-79, *page* 38 ; 1879-80, *page* 38 ; 1880-81, *pages lxxxviii*, 18 ; 1883-84, *page* 152 ; 1890, *pages* 166, 215 ; 1891, *page* 168 ; 1896, *page* 96 ; 1903, *page* 41 ; 1904, *page* 48 ; 1906, *pages* 139, 543 ; 1908, *page* 24 ; 1909, *pages* 80, 541 ; 1913, *pages* 111, 697 ; 1914, *page* 59 ; 1919, *pages* 73, 459 ; 1926, *Vol. I*, *page* 353 ; 1928, *Vol. I*, *page* 74 ; 1931, *Vol. I*, *page* 317 ; 1932, *page* 107 ; 1933, *page* 64 ; 1934, *page* 50 ; 1935, *page* 53 ; 1936, *page* 255 ; 1937, *page* 47, and 1938, *page* 18.)

The views of the Chamber on the Report drawn up by Mr. R. K. Nehru, I.C.S., Special Officer of the Government of India, on the proposal to enact legislation to facilitate the registration of trade marks in India and the Draft Bill to provide for such registration which was embodied in that Report, were summarised in the Chamber's Report for 1938. After receiving the views of the commercial community and others on Mr. Nehru's Report and Draft Bill, the Government of India, on the 19th September 1939, introduced the Bill in a revised form in the Legislative Assembly by whom it was referred to a Select Committee.

The revised Bill was examined by the same Sub-Committee of the Chamber who considered and reported

on Mr. Nehru's Report and original Bill. In addressing the Government of India in terms of the Sub-Committee's Report the Committee stated that they did not propose to reiterate the views previously expressed by them on the original Bill but desired only to submit the following comments and recommendations on those points on which after further consideration of the amended Bill they saw any occasion to alter the views previously expressed and on any points in the revised Bill to which they thought it necessary to draw attention.

Clause 2(1) (*n*).—The word 'tribunal' was defined in the amended Bill as "the Registrar or, as the case may be, the Court before which the proceeding concerned is pending." The Chamber's original recommendation was that a Committee of experts should be appointed to act as a tribunal of appeal, whose sole task would be to hear appeals from the Registrar. It was particularly pointed out that this tribunal need not be a permanent institution and that it might be abolished once the first rush of registration cases and appeals had been disposed of.

The Committee adhered to the view that a tribunal such as they proposed was in every way desirable in the first year or two. There were certain to be innumerable cases hinging on the question as to whether a trade mark was so similar to another that deception was likely to occur, and it was for the specific purpose of deciding such questions expeditiously that the tribunal of experts was recommended. If the proposal was not adopted the Committee anticipated endless delay and difficulties for applicants for registration of marks. The resultant delays if such questions were to depend (on appeal from the decision of the Registrar) on taking them to the High Courts would, they apprehended, be so great that the proper functioning of the Register would be a matter of years. Moreover, they considered it desirable that questions of possible deceptions, particularly phonetic deceptions, should be decided by one Tribunal of Experts for all India to ensure that there was some uniformity in the decisions given.

The Committee pointed out that their proposal would involve no material alteration in the Draft Bill so far as appeals to the High Courts were concerned. That right would still remain—the Tribunal they recommended would come between the Registrar and the High Courts for the specific purpose of hearing only appeals from the decision of the Registrar on questions of similarity of marks and the possibilities of deception occurring. In addition to the desirability of this Tribunal on the grounds already mentioned both applicants and opponents would be spared some of the heavy expenses they would have to face if first appeals lay only to the High Courts.

The Committee added that if the foregoing proposal with regard to the appointment of a tribunal of experts was not accepted they then recommended as an alternative that the Bill should provide that all appeals against the decision of the Registrar, with the exception of appeals in respect of textile trade marks, should lie with the High Court at Calcutta, and that the hearing of appeals in respect of textile trade marks should lie with the High Court at Bombay.

Further if this was decided the Committee thought that Clause 74 should be altered to give the Registrar power to depute the Deputy Registrar to appear in his place, when necessary, when cases concerning textile trade marks were being heard in the High Court in Bombay.

The Committee recommended that if their alternative proposal was accepted, both the Calcutta and the Bombay High Courts should depute special judges, with intimate knowledge of commercial litigation, to hear all cases relating to trade marks as it was apprehended that a large amount of litigation would arise during the first year or two after the Act came into force.

Clause 4 (2) (3).—The Chamber's recommendation that the main Register should be located at Bombay was not accepted and the Bill provided that the Register should

be kept at the Patent Office at Calcutta and that the Controller of Patents and Designs should be the Registrar of Trade Marks. The Committee considered that the reasons put forward for their recommendation that the main register should be kept at Bombay were sound, but after consideration they came to the conclusion that there was nothing to be gained by pressing this point further and they accepted the provisions of the Bill whereby the main register would be kept at Calcutta and a branch at Bombay where the Textile Marks Record would be kept.

The Committee were of opinion, however, that duplicate registers should be kept at the Headquarters of Government in each Province, in order to facilitate inspection by the general public. In view of what was suggested in the Chamber's previous letter about the number of applications for registration of trade marks which, it was anticipated, would come from Bombay they thought this request for a duplicate register was not unreasonable.

Clause 6(1).—In Clause 5(1) of Mr. Nehru's Draft Bill it was specifically provided that Indian vernacular dictionary words should be recorded in the register in phonetic spellings in Roman script. In the amended draft no such provision was included and in the opinion of the Committee it was necessary that it should be.

Clause 11(3) (*c*)/*Clause* 13(*b*).—The word "undistinctive" should preferably be "non-distinctive."

Clause 25.—The Committee considered that in three cases where the words "predecessor in his business" occurred these should be substituted by the words "predecessor in title of his."

A successor to a business was not necessarily the successor to the ownership of a trade mark or trade marks. This must be acquired by assignment or transmission, hence the verbal alteration which was recommended above.

Clause 37(2).—This clause referred to the registration of trade marks in relation to goods to be sold, or otherwise

traded in, in a particular place in British India, or in relation to goods to be exported to a particular market outside British India. In the Chamber's previous report when dealing with the question of " concurrent user " the Committee recorded their objection to any extension of the principle of concurrent user. They adhered to the views then expressed.

The registration of trade marks with territorial limitations would not only be a serious hindrance to trade, but its practical application was well nigh impossible. The Committee therefore recommended that any application for registration should be presumed to be *prima facie* evidence of *bona fide* intention to use the trade mark for the whole of India.

A registered trade mark should be limited territorially only to such an extent as might be necessary to carry out the promise that registration should not interfere with established rights.

That registration was valid for the whole of India should be a fundamental principle, for the reason that the owner of a registered trade mark whose rights were limited to certain parts of India could not claim international recognition. If a great number of trade marks registered in India came to be limited territorially, the position of the remainder as regards international rights would be seriously jeopardised.

Clause 41(4).—The Committee considered that it should be obligatory on the Registrar to take steps to ensure that information given for the purpose of an application under Section 41 was not disclosed to rivals in trade. They therefore considered that in Clause 41(4) the word " may " in the first line should be substituted by the word " shall."

Clause 46.—In Clause 32(*c*) of Mr. Nehru's Draft Bill it was provided that the Registrar might himself apply to the Court in case of fraud in the registration, assignment

or transmission of a registered trade mark. Under the revised Bill this was omitted. There was a similar clause in Section 32(2) of the English Act and the Committee considered it desirable that the same provision should be incorporated in the Bill under consideration.

Clause 59(1).—This clause vested in the Central Government the power of cancelling or varying registration and there was no appeal to a High Court or to the Federal Court against any action the Central Government might take under this clause. This, the Committee agreed, must be accepted. In England the same matters were within the sole jurisdiction of the Board of Trade, without any right of appeal.

Clause 62.—This provided that the Central Government should prescribe the classes of textile goods to which the provision of Chapter IX should apply. The Committee re-affirmed the Chamber's original recommendation that textile goods should include :—

> Cotton yarns, cotton piecegoods and other cotton manufactures, art silk yarns and piecegoods, mixtures of art silk and cotton, staple fibre yarns and cloths, silk yarns and cloths, woollen and worsted yarns and cloths, flax, jute and linen cloths, but excluding clothing.
>
> "

As stated in the Chamber's letter of July 25th, 1938, this would mean that the textile section would be in conformity with the international classifications framed by the International Union for the Protection of Industrial Property.

The Committee were of opinion that two additional clauses should be included in Chapter IX, similar to Sections 39(9) and (10) of the English Trade Marks Act, 1938. These two Sub-sections read as follows :—

> "(9) Before making any rule, or prescribing any form, that is to deal specially with trade marks registered or proposed to be registered in respect of textile goods other than clothing, the Board of Trade shall send a draft thereof to the Trade and Merchandise Marks Committee of the Manchester Chamber of Commerce, and shall, if the said Committee so request, give them an opportunity of being heard."

"(10) The Registrar, or the Keeper of the Manchester Branch, may consult the said Committee where it appears to him to be expedient so to do with respect to any circumstances peculiar to the cotton trade arising on the application to register a trade mark in respect of textile goods other than clothing."

The Committee considered that these sub-sections were appropriate for inclusion in the Indian Act with the following alterations :—

(1) For the words "Trade and Merchandise Marks Committee of the Manchester Chamber of Commerce" substitute the words "Committee of the Bombay Millowners' Association," should be substituted and

(2) For the words "Keeper of the Manchester Branch" the words "Deputy Registrar" should be substituted.

Clause 65.—This provided that applications for the registration of a trade mark in respect of textile goods might be made either to the Registrar, (i.e. in Calcutta) or Deputy Registrar in Bombay, at the option of the applicant. The Committee considered that all applications for the registration of trade marks in respect of textile goods should be made only to the Deputy Registrar at Bombay.

Admittedly the Bill provided that the Deputy Registrar should act under the direction of the Registrar, but it was clearly desirable that all applications for the registration of textile trade marks should in the first instance be made to the Deputy Registrar in Bombay, where the Branch Registry was to be set up and where by far the largest number of applications in respect of such marks would be made. These marks were very numerous, particularly those composed of different series of letters and figures, and the Committee apprehended some confusion and not a little resultant delay which could be avoided if it was provided, as they recommended, that applications in respect of textile marks should be made only through the Deputy Registrar in Bombay.

Clause 80.—It was here stated that the fees to be paid in respect of applications and other matters under the

Act were to be such as might be prescribed by the Central Government.

The Committee emphasised the Chamber's original recommendation that the fees charged should be only sufficient to cover the cost of the establishment and maintenance of the Registry and the staff employed, and they repeated their recommendation that the fees should be as under :—

On application	Rs. 25
On registration	„ 15
On renewals	„ 15
On alterations or amendments of trade marks.	„ 15

Clause 82.—This clause provided that the Central Government might make reciprocal arrangements with other Governments at any time after the expiry of six months from the commencement of the Act.

The Chamber's previous recommendation was that the question of reciprocal arrangements should be omitted from the Bill altogether and should be the subject of an amending Bill at a later date when the Registry in India was properly established and functioning.

It appeared that Government were unwilling to do this and the Committee therefore urged again the great importance of ensuring that no reciprocal arrangement should be entered into with other Governments until the Registry in India was properly established and functioning. They considered that this would not be the case after so short a period as six months and that it should be at least two years from the commencement of the Act. They also considered that if and when reciprocal agreements were entered into with other countries it must be laid down that the registered owner of a foreign trade mark should acquire no priority over the registered proprietor or user of a similar trade mark in British India by reason only of the fact that such a trade mark had already been registered, or an application for the registration of it had been made within the territories of the foreign Government concerned.

REGISTRATION OF INDIAN TRADE MARKS IN GERMANY.

(*See Report for* 1938, *page* 26.)

It was recorded in the Report for 1938 that a British national who was the proprietor of a firm in Bombay, made an application for registration of trade marks in Germany which was refused by the Court of Examinations. On appeal, however, the Appellant Court of the Reichpatentamt annulled this decision. The ground on which the lower court refused registration was that the applicant's evidence to the effect that the trade mark was used and registered in India was insufficient proof of the right to a trade mark in the sense of Paragraph 35, Section 3, of the German Trade Marks Law. It was also held by the Court of Examinations that the applicant's claim on the ground of his British nationality, that in view of the agreement between Germany and the United Kingdom he should be relieved from the necessity of giving proof that protection had been afforded in the home country was unjustified owing to the fact that he had no domicile in the United Kingdom. After examining fully the pros and cons of the matter, the Appellant Court expressed the opinion that in the case of applications received in Germany by British subjects it was necessary only to examine the question as to whether the applicant actually was a British subject. If this was the case they held that the question was irrelevant as to where he had his business or his domicile and as to whether the trade mark was protected in the country of origin in accordance with Paragraph 6 of the Union Convention.

It will be seen that this decision of the Appellant Court applied only in the case of British Nationals residing or doing business in India. It did not apply to British Indian nationals. It was understood that in view of the fact that German trade marks enjoyed full protection in British India, the Government of India was considering the action that could be taken in order that British Indian nationals might receive similar protection in Germany.

In April, 1939 the Director General of Commercial Intelligence and Statistics, informed the Chamber that information had been received that the German Government had refused to extend to British Indian trade marks the privileges enjoyed by trade marks registered in the United Kingdom.

INDIAN COMPANIES ACT, 1913—SECTION 277(3).

(*See Report* 1937, *page* 30.)

In November 1938 the Associated Chambers of Commerce requested the views of the Chamber on certain correspondence which had been exchanged between the Association and the Burma Chamber with regard to the interpretation of sections 132A and 277(3) of the Indian Companies Act read with the last sentence of Form H. The point under consideration was whether companies registered under section 277 of the Act, referred to in the Act as holding companies, were required by the respective Registrars of Joint Stock Companies to annex to the balance-sheet of the holding company the particulars required by section 132A, whether the subsidiary companies operated in India or elsewhere; and if so whether it was advisable that the European Group in the Indian Central Legislature should be asked to move for an appropriate amendment of the Indian Companies Act.

The Registrar of Joint Stock Companies, Burma, had required of Companies registered under section 277 of the Act, to annex to the balance-sheet of the holding company the particulars required by section 132A of the Act whether the subsidiary companies operated in Burma or elsewhere, whereas in India the Registrars only required details regarding subsidiary companies when they operated in India.

The opinion of the Sub-Committee of the Burma Chamber was that the interpretation of the Registrar of Joint Stock Companies, Burma, was correct.

The matter was first referred to the Special Sub-Committee of this Chamber who considered the Indian Companies (Amendment) Bill in 1936 and the Committee subsequently informed the Associated Chambers that they considered that the interpretation of the Act as stated by the Sub-Committee of the Burma Chamber of Commerce was correct. Further they did not propose to invite a definite ruling by the Bombay Registrar as this might result in the reversal of the present practice to the disadvantage of holding companies registered in Bombay. The practical position in Bombay was one in which the filing of the documents in question was demanded, but if not filed, the demand was not, as yet, pressed to a finality.

The Committee added that they doubted whether Government would consider the matter of sufficient importance to justify special action in the way of an amending Bill.

In May 1939 the London Chamber of Commerce and a member raised the same question with regard to sections 132(A) and 277(3) and desired to know the exact position obtaining in Bombay and whether any representation had been made against the Registrar's requirements in respect of these two sections of the Act.

The question was referred back to the Associated Chambers. The Chamber had not up to then heard of any case where the Bombay Registrar had taken any action beyond writing repeated reminders, but they understood that most firms affected were complying with the requirements of the Registrar, and they therefore suggested to the Associated Chambers that it might be advisable to take such steps as were possible to secure an appropriate amendment of the Act.

The Associated Chambers referred the matter to their solicitors by placing the following points before them :—

(a) whether, under the existing provisions of the Act, there is in fact an obligation upon holding companies registered under

section 277 to annex to the balance-sheet of the company the particulars relating to the subsidiary companies required by section 132A, whether such subsidiary companies are operating in India or not;

(*b*) if so, whether an amendment of the Act designed to exempt holding companies from this obligation in the case of subsidiary companies not operating in India is likely to meet with a favourable reception; and

(*c*) what form the amendment should take.

The solicitors expressed their views as follows:—

"With regard to para. (*a*) of your letter, we have always held the view that, under the existing provisions of the Act, a holding company registered under section 277 is obliged to annex to its balance-sheet, the balance-sheet, profit and loss account, auditor's report and statement concerning each subsidiary company, as required by section 132A of the Act, whether the subsidiary company is incorporated in India or not, and whether operating in India or not.

* * * *

"As regards the query raised in your para. (*b*) it is difficult to say whether an amendment Bill, even if introduced by Government, for the purpose contemplated, would be likely to meet with a favourable reception, but the first difficulty would be to convince Government. It is probable that when Form H was introduced into the Act, the words complained of had not been fully considered and understood and it was probably not Government's intention that these provisions should be quite so far-reaching.

* * * *

"Under the provisions of section 151 (2) of the Act, the Governor-General in Council is authorised to alter or add to the Forms in the Third Schedule. In our view, therefore, the Governor-General has power to alter the words complained of in Form H, which is contained in the Third Schedule, without introducing any amending legislation, and this could be done merely by notification in the *Gazette*.

"It may be that inasmuch as Form H, which was a much debated Form, was introduced into the Third Schedule by the Legislature, the Governor-General may not care to exercise the powers conferred by section 151 of the old Act to modify a form which was part of the so-called reforms introduced by the Amendment Act of 1936.

"We suggest, however, that in the first place representations be made to the Governor-General in Council with a request for modification of Form H under section 151 (2) of the Act to remove the present difficulty and if such representations should not prove successful, representations may then be made to Government to introduce an amendment Bill.

"With regard to para. (c), whether the amendment takes the form of a notification or of an amendment Bill we think the following additions to the note in brackets at the foot of Form H should be sufficient to exclude subsidiaries not operating in British India :—

"as regards every subsidiary company incorporated under this Act or being incorporated outside British India which has a place of business in British India within the meaning of section 277."

"Alternatively, if the interpretation suggested from London would be acceptable to your members, as regards companies not operating in India, this would probably be less objectionable to Government and the amendment or alteration could run as above and continue with the words :—

"as regards every subsidiary company incorporated outside British India and which has no place of business in British India as aforesaid, the requirements of section 132A as regards filing of the balance-sheet, profit and loss account and auditors' report shall not apply to such subsidiary company.' "

On further enquiries being made regarding the procedure and attitude of the Registrar of Joint Stock Companies in Bengal the position was found to be exactly as it was when the question was originally taken up, namely, that the Registrar in Calcutta only required the submission by holding companies of particulars regarding subsidiary companies when the latter operated in India. In view of this the Associated Chambers considered that to approach Government officially in the matter would in all probability merely result in rendering the attitude of the Registrars in Calcutta and Bombay less favourable than it was at the moment.

The above views were submitted to the London Chamber and the Committee added that they did not necessarily accept the opinion set out by the Calcutta solicitors, and in view of the fact that one of the members of this Chamber, a firm of solicitors, had addressed a letter to the Registrar setting out their contentions that the Note to Form H was contradictory to the Act itself and the principle that in such circumstances the Act overrode the Schedule, they proposed postponing further action until a reply was received on this point.

In October 1939 a reply was received by the member from the Registrar who stated that he was advised that it was necessary to submit the particulars called for and in case the balance-sheet as filed by the member's clients (in the foreign country) did not disclose the particulars required under section 132A, then a supplementary statement might be annexed to a copy of the balance-sheet.

The Committee decided to let the matter drop and await developments.

RETURNS OF DIVIDEND AND INTEREST.

(*See Report* 1938, *page* 35.)

It was recorded in the Chamber's Report for 1938 that a private member's Bill to provide for the submission of certain statements of companies incorporated in or carrying on business in India was introduced in the Council of State.

The Chamber opposed this Bill on the following grounds. Firstly it would involve a considerable amount of unremunerative work by all the companies concerned and secondly, even if the information which the promoter of the Bill aimed at obtaining would, in fact, be useful to Government, the actual statements as called for were bound to be highly inaccurate, for example, investments held by banks and others on behalf of clients or as nominees, dividends paid under the blank transfer system, and so on.

It was considered that to circulate the Bill for the purpose of eliciting public opinion would be useless expenditure.

The Bill was opposed by the Chamber's representative when it was brought up for discussion before the Council of State in March 1939 and the motion to circulate the Bill was negatived.

CONSOLIDATION AND AMENDMENT OF THE LAW RELATING TO MOTOR VEHICLES.

(*See Reports* 1936, *page* 59 ; 1937, *page* 136 ; 1938, *page* 103.)

It was recorded in the Chamber's Report for 1938 that the Motor Vehicles Bill had been referred to a Select

Committee. The Select Committee made several amendments in the Bill. After examination of these amendments the Committee telegraphed the European Group in the Central Legislature reiterating their original views in regard to the advisability of mandatory third party insurance in all Provinces. Further, while accepting the desirability of co-ordination of transport they considered that the fixation of rates of freight should be excluded as a method of attaining such co-ordination. The Bill was passed by the Legislative Assembly on the 17th September 1938.

When the Bill was due to come before the Council of State the Chamber's representative was requested to reiterate the Committee's objections against :—

(*a*) fixation of maximum and minimum fare and freight,

(*b*) restrictions on the provision and operation of private vehicles by commercial interests,

(*c*) the failure to legislate for the compulsory use of safety glass.

The above amendments were not accepted and the Bill was passed by the Council on the 30th January 1939 and received the assent of the Governor-General on the 16th February 1939.

The Act came into operation on the 1st July 1939, (Act IV of 1939.)

BILL TO ESTABLISH STANDARDS OF WEIGHTS THROUGHOUT INDIA.

(*See Report* 1936, *page* 251.)

At the annual general meeting of the Associated Chambers of Commerce of India in 1935, a resolution was moved to the effect that the Government of India should appoint a Committee to enquire into and report on the possibility of standardising weights and measures throughout India. This resolution was lost, as in the opinion of the majority, the other provinces would be well advised to wait and see the result of the Bombay Weights and Measures Act, 1932.

In December 1936, a resolution moved at the annual general meeting of the Associated Chambers was carried unanimously urging the Government of India to introduce legislation with the object of fixing uniform standards of weights and measures throughout India.

In February 1939 the European Group in the Central Legislature requested the views of the Chamber on a Bill it was proposed to introduce to establish standard weights throughout India. Under item 51 in the Federal Legislative List in the Seventh Schedule to the Government of India Act, 1935, the Central Government was responsible for the establishment of standards of weights, while under item 39 of the Provincial Legislative List Provincial Governments were concerned with 'weights and measures'. So far as concerned weights, therefore, it was for the Central Government to prescribe the standards. The enforcement of the use of weights based on these standards was a matter for the Provincial Governments. The Bill prescribed the units of weight commonly used by the Railways and in commerce, viz., the tola, the seer, and the maund, and also the pound, the ounce, the hundred-weight and the ton.

The Committee informed the European Group that they were in favour of supporting the Bill. The Bill was passed by both Houses in March 1939 and received the assent of the Governor-General on the 28th March.

Under the Act the unit of weight was the standard grain, that is to say, that weight which when multiplied by 1799·84585 is the weight in vacuo of the iridio-platinum cylinder in the custody of the Mint Master, Bombay, certified by the Standards Department of the British Board of Trade as having a weight of 1799·84585 grains in vacuo. On this basis the Act laid down the following standard weights :—

(1) the standard tola, being a weight of 180 standard grains ;

(2) the standard seer, being a weight of 80 standard tolas or 14,440 standard grains ;

(3) the standard maund, being a weight of 40 standard seers ;

(4) the standard pound, being a weight of 7,000 standard grains;

(5) the standard ounce, being one-sixteenth part of the weight of a standard pound;

(6) the standard hundred-weight, being a weight of 112 standard pounds;

(7) the standard ton, being a weight of 2,240 standard pounds.

"JANGAD" TRANSACTIONS IN THE SALE OF DIAMONDS, ETC.

(*See Report* 1937, *page* 29.)

It was recorded in the Chamber's Report for 1937 that the Committee addressed the Government of India in March of that year in support of a representation of the Diamond Merchants' Association regarding the difficulties that had arisen in the precious stones trade as a result of a judgment of the Bombay High Court in Criminal Appeal No. 413 of 1935.

In supporting the representation the Committee informed the Government of India that in their opinion the judgment in question had upset the whole basis on which business in precious stones had been conducted for many years past, and they felt that very early steps should be taken by Government to amend the law so as to remove difficulties which were causing serious embarrassment to the trade in question.

The Bombay Diamond Merchants' Association had represented that, as a result of this judgment, the jewellery trade in India would be seriously disorganised in that according to the generally accepted custom of the trade the transaction known as "Jangad" constituted a mere entrustment of the property to another person for the specific purpose of inspection, approval and similar action short of affecting a *bona fide* sale with the consent of the owner. The Bombay High Court held that the expression "Jangad" meant in all cases "sale or return" and held that that being so, property in the Jangad goods passed to the accused under section 24 of the Indian Sale of Goods

Act, 1930. The Court further held that a "Jangad" transaction placed the parties in the relationship of seller and buyer, that is principal and principal.

In June 1939 the Bombay Diamond Merchants' Association again addressed the Chamber pointing out that in spite of the various representations made to the Government of India by commercial bodies and associations nothing had been done to overcome the difficulties that had arisen in this trade. As the trade was mainly confined to Bombay the Diamond Merchants' Association requested the support of the Chamber to a representation which they were submitting to the Government of Bombay urging them to introduce necessary legislation as early as possible.

After considering the matter the Committee informed the Diamond Merchants' Association that whereas the Chamber had supported its representation to the Government of India in 1937 they were unable to extend support to a similar representation to the Government of Bombay as in their opinion it would be *ultra vires* for the Bombay Government to attempt to introduce legislation affecting the Sale of Goods Act, which was a Central Government subject.

ADMISSION OF COMMERCIAL DOCUMENTS IN EVIDENCE WITHOUT FURTHER PROOF.

(*See Reports* 1926, *Vol. I, page* 98 ; 1927, *Vol. I, page* 87 ; 1929, *Vol. I page* 44 ; 1931, *page* 157 ; 1937, *page* 26.)

It was recorded in the Report for 1937 that the views of this Chamber as well as those of other constituent Chambers on the Bill to amend the law of evidence with respect to certain commercial documents had been forwarded by the Associated Chambers of Commerce of India to the Government of India for favourable consideration.

The Bill was referred to a Select Committee in February 1938 and their report was published in September 1939.

No further views were submitted by the Chamber on the Select Committee's Report.

The Bill received the assent of the Governor-General on the 26th September 1939.

COAL MINES SAFETY (STOWING) BILL.

In February 1939 the European Group, Indian Central Legislature, requested the views of the Chamber on a Bill to make further provision for safety in coal mines, which was introduced in the Legislative Assembly on the 8th February 1939. The object of the Bill was to devise measures for the protection of miners against the dangers involved in the existing methods of extraction in the main coalfields where a stage had been reached at which the continued extraction of the large quantities of coal standing in pillars by ordinary methods was impossible in some cases and would, in other cases, involve serious danger to those engaged in the work and the likelihood of a great wastage of coal. Government had appointed a Committee known as the Coal Mining Committee in October 1936 to inquire into the methods of extracting coal underground in Bengal, Bihar and the Central Provinces and to report on the measures which should be taken to secure the safety of the workers and to prevent avoidable waste of coal. This Committee advocated the adoption of stowing, i.e., the filling with sand or other incombustible material of the space left by the extraction of coal, to start with, in areas where there was urgent and immediate danger to life or urgent danger of substantial loss of coal. The Committee also recommended that a cess of eight annas per ton on coal including soft coke and twelve annas per ton on hard coke should be imposed, to be used mainly to defray the cost of stowing.

According to the Bill it was proposed to levy and collect on all coal and coke of such descriptions as might be prescribed which was produced in British India, a duty of excise as might, by notification in the Official Gazette,

be fixed from time to time by the Central Government, subject to a maximum rate of four annas per ton in the case of coal and soft coke or six annas per ton in the case of hard coke.

After referring the Bill to members interested, the Committee informed the European Group, Indian Central Legislature, that in their opinion the imposition of a cess of four annas per ton was inequitable in the case of companies which, owing to particular circumstances, might never feel the necessity for the extraction of pillars and the consequent need to resort to sand-stowing, and they considered that provision should be made in the Bill to exempt those companies where Government were satisfied that de-pillaring would not be necessary. Furthermore, the Committee recommended that a provision should be inserted in the Bill to guarantee relief in all cases where long term contracts had been entered into by the company as in such cases it would be impossible to recover the cess from buyers unless it was specified in the Act that sellers were empowered to increase the contract price by the amount of cess levied.

In conclusion, the Committee suggested that the proposed cess of four annas per ton was excessive, and in so far as Government had the power to make supplementary rules they recommended that a cess of one or at the most two annas should be levied at the commencement which if found necessary could be increased at a later date under the rules prescribed by the Act.

In reply the European Group pointed out that it had already in Select Committee committed itself in the expression of views which it could not change during the subsequent discussion. They could not, however, in any case have accepted the Chamber's view that provision should be made in the Bill to exempt from payment of the cess those companies in the case of whose collieries Government was satisfied that de-pillaring would not be necessary. Safety in coal mines was a national concern and to make

it compulsory for some companies to sand-stow and to bear the entire cost of the operation themselves would place them at a very severe disadvantage compared with those companies who were not compelled to take the same precaution or required to make any contribution towards the cost of such operations.

The Group stated that Government were not prepared to accept the Chamber's second recommendation that provision should be inserted in the Bill to guarantee relief in cases where long term contracts had been entered into by a company.

The Group added that as regards the Committee's opinion that the proposed maximum rate of cess was excessive it had Government's assurance that the rate in the first instance was not likely to exceed two annas per ton. Further the Committee were wrong in thinking that if the cess were fixed in the first place at two annas, it would be possible for Government subsequently to increase the cess by rules made under the Act. The rule-making powers conferred on Government by Clause 14 did not give them power to increase the cess; and Government had purposely fixed the maximum rate in excess of the rate which they proposed to enforce in view of the inconvenience they would experience in securing the passage of an amendment Bill through the Assembly at a later date should they wish for any reason to increase the cess.

An amendment to reduce the maximum rate of cess from four annas to three annas per ton was accepted. The Bill was finally passed and received the assent of the Governor-General and was published as Act XIX of 1939.

BOMBAY LIFTS ACT, 1939.

(*See Report for* 1934, *page* 70.)

It was recorded in the Chamber's Report for 1934 that the Committee in replying to a reference from the Government of Bombay, had stated that the question of the compulsory installation of safety devices in electric

passenger lifts was under their consideration in 1933, and as they were of opinion that this was an all-India matter they had addressed the Associated Chambers on the subject with a view to obtaining the assent of the constituent Chambers to a representation being made to the Government of India on the need for legislation.

The Chamber was, however, informed by the Associated Chambers that the Government of India were unable to agree to all-India legislation but suggested that the Chambers of Commerce should address local Governments of the provinces in which they considered that the regulation of passenger lifts was desirable.

The Committee accordingly addressed the Government of Bombay and requested that legislation might be introduced in the Bombay Presidency on the lines previously suggested by the Chamber.

In December 1938 the Government of Bombay published a Bill the object of which was to require the owners of premises containing lifts to maintain the lifts in safe working order and for this purpose it was proposed that Government should have power to regulate the construction, maintenance and working of lifts, and all machinery and apparatus pertaining thereto in the Province of Bombay.

The Bill was referred to a Special Electricity Sub-Committee of the Chamber who considered that certain additions and alterations in the original draft were necessary. These amendments were forwarded to the Chamber's representative in the Legislative Assembly.

The Bill was referred to a Select Committee and the report of that Committee embodied in it many of the Chamber's suggestions.

The Bill was duly passed by the Legislature and received the assent of the Governor on the 15th May 1939. Some of the features of the Act as passed are set out below :—

(*i*) Owners of a place intending to instal a lift must apply to Government or a permit to erect, giving particulars of type, speed,

carrying capacity, structure, etc. Permission to be valid for six months only.

(*ii*) Owners must apply within one month of completion of the lift for a licence to work it. A fee of Rs. 20 must accompany the application.

(*iii*) Owners of places in which lifts were installed before the commencement of the Act must apply for a licence to work it within two months of commencement.

(*iv*) Government may authorise officers after giving reasonable notice to enter buildings for the purpose of inspection. Officers may order owners to make repairs or alterations and may forbid the working of the lift until they are completed. Appeal from such order lies to Government.

(*v*) Accidents occurring in lifts must be reported to the Inspector of Lifts and to the Police either personally by the owner of the building or through an authorised agent. The working of the lift may not be resumed without written permission.

(*vi*) No lift may be worked except in conformity with the terms of licence Every lift is to be inspected by a Government officer at least once in six months, at a fee of Rs. 15.

(*vii*) Fine for contraventions of licence, rules, etc., maximum of Rs. 500 plus Rs. 50 per day for continuing offence.

SALES TAX ACT.

Following references to the possibility of a sales tax on the lines of that introduced in the Central Provinces being imposed by other Provincial Governments, the Committee informed the Government of Bombay, Finance Department, in January 1939, that they understood that Government had under consideration the introduction of a sales tax on certain commodities for inclusion in the 1939-40 Budget. Without in any way entering into the merits of the proposed taxation, the Committee urged on Government the fact that the legal position as defined by the Federal Court in their recent decision on the Central Provinces Sales Act was not as yet clear, as they believed that it was not improbable that an appeal would be made to the Privy Council.

It was also suggested that there was insufficient time before the introduction of the Budget for the necessary information to be obtained, and the proper consideration

given, to the repercussions which such a tax would have upon trading in the commodities upon which it might be imposed. Further a tax of this nature should receive careful examination and be dealt with at greater leisure than was possible before the introduction of the 1939-40 budget.

A Bill was published in the *Bombay Government Gazette* in February 1939, the object of which was to enable Government to levy a tax on the sales of the following goods (1) motor spirit and lubricants, (2) manufactured cloth whether manufactured in the province or imported into the province, (3) silk yarn including artificial silk yarn and cloth made of such yarn. The machinery for collection and the particular sales, wholesale or retail, to be taxed were proposed to be left to rules, but the Bill prescribed that only one sale between manufacture, import or production and consumption should be taxed and the maximum tax should be 6¼ per cent. Incidental provisions for licensing traders and requiring them to maintain accounts were also prescribed.

A Special Sub-Committee of the Chamber was appointed to consider the Bill.

It was unanimously agreed by the Special Sub-Committee that the European Group should recommend that the Bill be sent to a Select Committee or failing this be circulated for opinion and if those recommendations were not successful, certain amendments to the clauses of the Bill which had been drafted by the Sub-Committee should be moved.

The Bill was passed by the Assembly on the 4th April 1939, after several amendments had been moved, and received the assent of the Governor on the 14th April.

Under the Act merchants were to obtain licences to trade in the goods specified, namely, motor spirit and manufactured cloth for each place of business where the goods were on sale. It was illegal to trade without licences and penalties for infringement were severe.

The tax on Motor Spirit was recovered from 1st May at one anna per gallon or 6¼ per cent. of selling price, whichever was less. The Rules under the Act were notified on the 1st May 1939 and included the following points :—

(*a*) A fee of Rs. 2 for grant of renewal.
(*b*) No transfer of licence permissible.
(*c*) Traders to furnish monthly returns of sales.
(*d*) Separate licence forms for wholesale and retail trade.

The tax on manufactured cloth came into force on 1st June 1939. In the first instance only the licensing provisions were applied. Every trader in manufactured cloth, including wholesale and retail traders, commission agents, brokers and hawkers, were required to take out a licence within a period of two months. Failure to do so constituted an offence under the Act.

The substance of the draft rules was as under :—

(*a*) The fee for the licence to be Rs. 2.

(*b*) Separate applications to be made to the Collector for licence to trade as wholesale trader, retail trader, broker or hawker.

(*c*) The return of gross value of sales in previous year to be submitted within 30 days of grant of licence.

After examining the draft rules the Committee considered that rule 14 which read as follows was open to objection :—

Every trader to furnish a return of the sales of manufactured cloth.

Every trader shall, within 30 days of the grant of a licence, submit to the licensing authority a statement showing the gross value of the sales of manufactured cloth effected by him during the previous business year."

The Committee in addressing the Government of Bombay, Finance Department, in the matter stated that they did not consider that it was reasonable to ask merchants to submit a return of gross sales for the preceding 12 months during which the Act was not in operation, and that such a return should only be called for at the end of the current year. It was also pointed out that the only returns of value would be those from the actual trader who would have to pay the tax.

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Later the Chamber's attention was drawn to the fact that "house" brokers for piecegoods were considered to be "traders" within the meaning of section 2 (8) of the Act, and as such must obtain the necessary "broker's" licence.

In addressing the Government of Bombay in the above connection the Committee pointed out that salaried employees of a business firm who might receive, in addition to their salary, a commission on sales effected through their personal efforts, were included within the scope of the section of the Act referred to and must therefore in each case obtain a licence. The Committee regarded this position as unduly onerous and did not believe that it was Government's intention when framing the Act that where a business house held a licence under the Act, each of its salaried employees should be forced to be separately licensed if, as was the common practice, he was in receipt of a small commission on sales effected through his efforts, and if this ruling was upheld by Government as the legal interpretation of this section of the Act, they recommended that an amendment in the rules should be introduced to cover the point.

Government upheld the ruling as the legal interpretation of the Act. Rule 10 of the Bombay Manufactured Cloth Sales Tax (Licensing Provisions) Rules laid down that every licence granted should be deemed to have been granted personally to the trader named therein and in view of this, Government considered that the ruling was correct.

As regards the Chamber's suggestion to amend the rules, Government pointed out that this could not be done unless the Bombay Sales Tax Act itself was amended which they considered neither necessary nor desirable.

In October 1939 the Government of Bombay enquired the views of the Chamber as to whether on the basis of figures submitted by the Collector showing the turnover in Bombay, Ahmedabad and the mofussil, of wholesalers

and retailers in manufactured cloth, Government should proceed with the idea of levying a licence fee on every cloth merchant instead of a sales tax and if so, what licence fees should be charged.

Government pointed out that when the Sales Tax Bill was under discussion a number of representations were made that an *ad valorem* sales tax on manufactured cloth levied on wholesalers would seriously disorganise the wholesale markets in the Province and that the incidence of such a tax might fall on the mill industry itself. As an alternative method of taxation it was suggested that all traders should be made to pay licence fees. Government were assured that on this basis and with a reasonable licence fee they could get the revenue of about Rs. 25 lakhs which they had proposed to obtain by means of a sales tax. As, however, no statistics were available regarding the number of traders and their turnover, Government, to obtain this information, had issued the licensing rules. While this matter was being considered by the Chamber the Congress Government resigned and a notification was issued by the Governor of Bombay in consultation with his Advisers that it had been decided in the interests of trade not to proceed with the Sales tax on manufactured cloth.

PROPOSED FIXATION OF MAXIMA AND MINIMA PRICES OF PETROL.

In June 1939 it became evident that the Government of Bombay was considering bringing in legislation to fix the maxima and minima prices of petrol in the Province.

A joint representation was submitted to Government by Burmah-Shell Oil Storage and Distributing Co., of India Ltd., Messrs. Caltex (India), Ltd., the Indo-Burma Petroleum Co., and the Standard-Vacuum Oil Company, against the introduction of such legislation.

The Committee agreed with the memorandum and as in their opinion, this seemed to be a case of discrimination, they addressed the Government of Bombay in full support of the representation.

BOMBAY RENT BILL.

(*See Report* 1938, *page* 44.)

It was recorded in the Chamber's Report for 1938 that early in January of that year leave was granted by the Bombay Legislative Council for the introduction of a private Bill which had for its object the regulation of rents of premises in the Bombay Presidency. The Bill was introduced in the Council in April 1938 and after discussion, the motion for its first reading was put to the vote and negatived.

In the same month the Government of Bombay appointed a Committee to advise them on the question of rentals of premises occupied by the working and middle classes in the cities of Bombay, Ahmedabad and Sholapur. The terms of reference to the Committee were as follows :—

1. To examine whether the conditions and rentals of premises occupied by the working and middle classes in the cities of Bombay, Ahmedabad and Sholapur are such as to require legislative intervention, and

2. if so, to suggest the nature of the required legislation, and,

3. to report on such other matters as may be germane to the points referred to in 1 and 2 above.

The report of the Committee was published in July 1939. They recommended the adoption of a policy of rent restriction. They made a number of recommendations in regard to methods of executing housing plans and suggested amendments of a number of enactments which would invest the authorities with powers to carry out their recommendations.

THE BOMBAY GAS SUPPLY BILL, 1939.

In February 1939 a Bill was published which had for its object the protection of the interests of consumers of gas and for this purpose to provide for the regulation of prices for the supply of gas in the Province of Bombay and for certain other matters.

After referring the Bill to the member interested in the supply of gas, the Committee addressed the Government of Bombay, Public Works Department and drew

attention to Clause 6 of the Bill wherein it was stated that the Provincial Government might make an order prescribing maxima rates after consultation with the Advisory Committee. The Committee suggested that this clause should be amended to conform with Clause XI of the Schedule to the Indian Electricity Act 1910, as amended by Section 27 of the Indian Electricity (Amendment) Act, 1922, which clause :—

(*a*) gave the company an assurance that it would be heard, with a right to go to the Courts if the hearing was unfair or the decision arbitrary, and

(*b*) placed a restriction on the Provincial Government to the extent that it could not go beyond the recommendation made to it by the Advisory Committee.

The Chamber also referred to the constitution of the Advisory Committee and recommended that such a Committee should be an independent body, that is to say, the members should be selected by Government and consist of experienced business gentlemen who were independent of Government.

The following suggested amendment to Clause 6 was put forward :—

" The Provincial Government may from time to time require the Advisory Board to recommend the limits of prices which this Company may charge for the supply of Gas to any consumer or class of consumers in the whole of the Province or in any specified area and may make an order in accordance with such recommendation, which shall have effect from such date as may be mentioned in such order.

" Provided that the Company shall have the right at any time, should circumstances arise, to call upon the Provincial Government to reconsider in a like manner any limits so prescribed."

When the Bill came up for discussion Government moved an amendment to Clause 6 which was accepted and read as follows :—

" The Provincial Government may from time to time, in accordance with the recommendations of the Advisory Board, make rules prescribing the limits of prices which the company may charge for the supply of gas to any consumer or class of consumers, in the whole of the province or in any specified area."

In view of this, the Chamber's representative in the Assembly did not move the first part of the amendment as suggested, because it was felt that the main point had been gained, but Government refused to accept the second part of the amendment, although the Minister for Public Works in his speech made it clear that both gas consumers and the company could at any time approach Government and ask them to go into the question.

The Bill passed all the three readings on the 19th of April and received the assent of the Governor on the 17th of May 1939.

RULES FOR THE GRANT OF NEW LICENCES FOR THE SUPPLY OF ELECTRICITY.

(*See Report* 1938, *page* 48.)

It was recorded in the Chamber's Report for 1938 that the Committee had addressed the Government of Bombay concerning the rules laid down by Government for the granting of new licences for the supply of electricity.

In September 1938 Government issued a fresh Press Note in which certain of the conditions previously notified were modified and which also contained certain additional conditions subject to which all electric licences would be granted in future.

One of the modifications proposed by Government was the increase of the amount that might be allotted to the licensee or shareholders under Clause 1, from the net profits from 4 per cent. to 6 per cent. The Committee asked Government to provide them with a definition of the term "net profits" and also to inform them whether such a definition would be incorporated in Government orders.

In March 1939 Government informed the Chamber that the term "net profit" meant the gross revenue, i.e., revenue from all sources, excluding capital gains, less

working expenses, including depreciation, but excluding income-tax, interest on debentures and capital losses.

Government added that the definition as set out above would be incorporated in future electric licences.

PROTECTION TO THE SUGAR INDUSTRY.

(*See Reports* 1930, *Vol. I, page* 85 ; 1931, *Vol. I, page* 129 ; 1932, *page* 125 ; 1934, *page* 172 ; 1937, *page* 67.)

The following Notification, dated 30th March 1939, was issued by the Government of India, Department of Commerce :—

"The Tariff Board which in 1930-31 investigated the claim of the Sugar Industry to protection, recommended the grant of protection for a period of fifteen years, the measure of protection to be Rs. 7-4 per cwt. for the first seven years and Rs. 6-4 for the remaining period. The Sugar Industry (Protection) Act of 1932 gave effect to these recommendations, except that relating to the measure of protection during the second part of the protection period. The Act required, however, that before the 31st March 1938 a further enquiry should be made to ascertain what degree of protection was needed by the industry for the remaining period of protection. This statutory enquiry was referred to the Tariff Board under the Resolution of the Government of India No. 127-T. (1)/37, dated the 27th March 1937. The Board submitted its Report in December 1937 but it was not found possible to finish consideration of the Report before the end of March 1938 and the protective duty then in force was accordingly continued for another year by a formal amendment of the Act of 1932.

The main recommendations of the Board are as follows :—

(1) The fair selling price of Indian sugar is Rs. 6-13-10 per maund to which should be added 9 annas per maund for freight and 5 annas for quality, making roughly Rs. 7-12 per maund. Java sugar could be landed at Rs. 2-7 per maund and the protection required is therefore Rs. 5-5 per maund or Rs. 7-4 per cwt. This amount of protection should be granted for eight years.

(2) Permission should be accorded for the manufacture of power alcohol on the understanding that it bears the same rate of duty as petrol.

(3) No special protection is necessary for the *Gur* industry, apart from the protection granted to sugar.

(4) Research work on the agricultural side is inadequate, and an allotment of 3 annas per cwt. from the excise duty should be made for central research and assistance to provincial Agricultural Departments.

(5) A marketing survey of the sugar industry should be undertaken.

(6) The additional excise duty levied in 1937 has had unfortunate consequences for the cane-grower and manufacturer. At the prevailing level of prices the present rate of excise duty is out of proportion.

(7) The rationalisation of the industry under some form of State control is desirable. For this purpose an All-India conference representing all interests should be convened.

In April 1939 the Sugar Industry (Protection) Bill was introduced with the object of continuing the protective import duty on sugar for a period of two years at a slightly reduced rate pending a further enquiry into the industry in 1940.

The Bill was duly passed (Act XX of 1939).

PROTECTION TO THE HEAVY CHEMICAL INDUSTRY.

Magnesium Chloride.

(*See Reports* 1931, *Vol. I, page* 130 ; 1933, *page* 145 ; 1938, *page* 76.)

It was recorded in the Chamber's Report for 1938 that the protective duty imposed on magnesium chloride under the Heavy Chemical Industry (Protection) Act, 1931, had effect only up to 31st March 1939, and as the Government of India considered it necessary that an enquiry should be held by the Tariff Board in order to ascertain whether any, and if so, what protective measures should be continued beyond that date, the Tariff Board was requested in December 1937 to examine the question.

In connection with their enquiry the Tariff Board issued a questionnaire in January 1938 and the attention of all members interested was duly drawn to it.

On the 30th March 1939 the Government of India, Department of Commerce, issued the following Notification, No. 199-T (37)/39 :—

" The protective duty imposed on imported magnesium chloride will determine on the 31st March 1939. In their resolution No. 199-T (1)/37, dated the 18th December 1938, the Government of India referred to the Tariff Board the question whether any, and if so what, protective measures should be continued beyond that date. The Board has submitted its Report which is published for general information.

The Board recommends that protection should be extended to the magnesium chloride industry for a further period of seven years and has proposed a protective duty of annas 15 per cwt. on imported magnesium chloride.

The Government of India accept the Board's recommendation in respect of the further period of protection but consider the rate of protective duty proposed to be unduly high.

In arriving at the fair selling price for magnesium chloride the Board has rightly taken into account the freight disadvantage which the Indian product has to face in Bombay City. It has, however, made the error of making an allowance on this account in respect of the whole production of the industry, a considerable proportion of which is consumed in up-country markets where the Indian product either is at no freight disadvantage or even enjoys a certain advantage. The Government of India are of opinion that after rectifying this error the fair selling price can reasonably be fixed at Rs. 2-9 per cwt. and have accordingly decided to impose a protective import duty on magnesium chloride of annas 12 per cwt. Legislation to give effect to this decision will be introduced before the expiry of the present period of protection."

PROTECTION TO THE PAPER AND PAPER PULP INDUSTRY.

(*See Reports* 1935, *page* 122 ; 1936, *page* 75 ; 1938, *page* 73.)

In the Government of India Resolution No. 202-T. (1)/36, dated the 11th December 1937, the Tariff Board was asked to re-examine the question of the protection enjoyed by the paper and paper pulp industries in India and to report what protective measures (if any) should be continued after the 31st March 1939. In the interim Report the Board found that the revenue surcharge of 25 per cent. imposed in

1931 on the protective duties was no longer justifiable. The Government of India consequently removed the surcharge under their Commerce Department Notification No. 202-T. (4)/38, dated the 25th of June 1938. The Board subsequently submitted its final Report which was published for general information in March 1939.

The main recommendations made by the Board were as follows :—

(1) There should be a protective duty on imported wool pulp of Rs. 35 per ton or 25 per cent. *ad valorem* whichever was higher.

(2) The duty on protected classes of paper should be 11 pies per lb.

(3) The Customs Tariff Classification of paper recommended by the 1935 Board should be adopted with some minor alterations.

(4) The period of protection should be extended by seven years from the 1st April 1939.

(5) There should be a further enquiry at the end of the year 1939 to ascertain whether the new developments taking place in the paper industry warranted protection being extended to classes of paper not protected at the moment.

(6) The nomenclature of the Act extending the period of protection should be changed from the Bamboo Paper Industry (Protection) Act to the Indian Paper Industry (Protection) Act; and

(7) The paper section of the Forest Research Institute, Dehra Dun, should be extended and more adequately equipped.

INDIAN TARIFF (SECOND AMENDMENT) ACT, 1939.

The Indian Tariff (Second Amendment) Bill was introduced in the Central Legislative Assembly during April 1939 to give effect to the decisions of the Government of India on the Reports of the Tariff Board on the Magnesium Chloride and Paper and Paper Pulp Industries.

The Bill which was passed by the Assembly on the 6th April 1939, received the assent of the Governor-General on the 21st April 1939 and was promulgated for general information in the *Gazette of India*, dated the 29th April 1939. The Act—

(*a*) continued for a further year the existing rate of protective duty on broken rice.

(*b*) continued for seven years, but at a reduced rate, the protective duty on Magnesium Chloride.

(*c*) recasted the section of the First Schedule relating to paper in the manner indicated in the Government of India, Commerce Department, Resolution No. 202-T (9)/38, dated 30th March 1939, on the Report of the Indian Tariff Board on the grant of protection to the paper and paper pulp industries, and

(*d*) continued for a further year the existing rates of protective duty on silk and silken goods.

INDO-BRITISH TRADE AGREEMENT.

(*See Reports*, 1932, *page* 40 ; 1933, *page* 107 ; 1934, *pages* 139, 151 ; 1935, *page* 92 ; 1936, *page* 91 ; 1937, *page* 65 ; 1938, *page* 84.)

It was brought to the notice of the Committee in December 1938 that the Government of India had given formal notice to the Government of the United Kingdom of their intention to terminate with effect from 31st March 1939, the agreement between the two Governments concluded at Ottawa on the 20th August 1932.

In February 1939, the European Group in the Central Legislature requested constituent Chambers to favour them with their views when the terms of the agreement were published before deciding what attitude they would adopt in the Assembly.

Towards the end of March 1939 the Agreement was published. After carefully considering its terms the Committee despatched the following telegram to the European Group at New Delhi :—

" Indo-British Agreement, Committee consider favourable in so far as Ottawa benefits on exports are continued and India gains considerably in other directions. Indian mill industry deprecate concessions in duty on imported piecegoods coupled with recently increased duty on imported cotton maintaining that this latter increase reduces margin of protection to mills to a negligible figure."

When the Agreement came before the Legislative Assembly, it was rejected but was passed by the Council of State. A Bill to give effect to it was introduced in the Legislative Assembly on the 31st March 1939.

The main principles which the new Agreement followed were set out in a memorandum which was issued by the Government of India simultaneously with the publication of the new Agreement. The following is a relevant extract :—

"It will be noted, firstly, that the Supplementary Agreement of 1935 has not been renewed. Secondly, while the concessions granted to India by the United Kingdom remain almost unchanged, the general preferences granted by India to the United Kingdom have been considerably modified. As is pointed out later, the value of imports from the United Kingdom falling in the preferential category which was estimated at Rs. 18,75 lakhs in 1935-36 has now been reduced to an annual average of Rs. 7,68 lakhs. On the other hand, under the Cotton Article the United Kingdom has received a new concession by the lowering of duty on United Kingdom cotton piecegoods. This is an important departure from the old Agreement, but the concession is linked with the United Kingdom's offtake of Indian cotton and the benefit conferred by the new Agreement is thus mutual. Thirdly in addition to the tariff concessions, India has secured certain material advantages, e.g., the modification of the United Kingdom drawback orders. Indian interests were prejudicially affected by the grant of drawback in the United Kingdom on linseed and groundnuts used in the manufacture of certain classes of exported goods: under Article 6, however, His Majesty's Government have agreed to withdraw the concession from groundnut oil and to modify it in the case of linseed oil. Finally, although the Ottawa concessions have been preserved intact in relation to most of the Colonies, in the case of Ceylon provision has been made for the initiation of separate negotiations. The provision constitutes a striking departure from the Ottawa Agreement, and is based on a recognition of the fact that the mutual interests of the two countries extending as they do far beyond the economic field, make it desirable that the relations between them should be regulated by a separate Agreement."

The Agreement was signed in London on the 20th March 1939. It involved the amendment of the Indian Tariff Act, 1934. Notwithstanding the Assembly's rejection of the Agreement by a majority vote, the necessary amending Bill was introduced on the 31st March 1939. Under the Provisional Collection of Taxes Act, 1931, certain of the provisions of the Bill, namely those relating to the cotton sections of the agreement, were brought into immediate operation. The Bill was in the first instance rejected by the

Assembly. It was subsequently returned to the Assembly by the Governor-General as a recommended Bill in an amended form, was again rejected by the Assembly and was subsequently passed by the Council of State in this form. Thereafter action was necessary under Clause 2 of Item 67B of the 9th Schedule to the Government of India Act which calls for the "assent of His Majesty in Council and the notification thereof by the Governor-General" before "the Act shall have the same force and effect as an Act passed by the Legislature and duly assented." Such assent was duly notified on the 27th May 1939 from which date the Act came into full operation. The relative Notification No. F. 200-XI/39-C. & G. (I), issued by the Government of India, Legislative Department, was published in a *Gazette of India Extraordinary*, dated Simla, 27th May 1939, and read as follows :—

"In pursuance of the provisions of sub-section (2) of Section 67B of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, I, Victor Alexander John, Marquess of Linlithgow, hereby notify that the assent of His Majesty to the Indian Tariff (Third Amendment) Act, 1939, has been signified on His Majesty's behalf by an Order in Council, dated the 25th May 1939."

Arising out of the Bill the duty on British steel material imported under items Nos. 63(2), 63(3), 63(6), 63(12), 63(15), 63(17), 63(19), 63(20), 63(21) and 63(27) of the Indian Customs Tariff was increased with effect from 1st April from 10 per cent. *ad valorem* to 15§ per cent. *ad valorem* and the duty on foreign steel material was reduced from 20 per cent. to 15§ per cent. *ad valorem*.

As several members were directly interested in the import of British steel the Committee appointed a special Sub-Committee to examine and report on the matter.

Before making any recommendation to the General Committee, the Sub-Committee suggested that the Bengal Chamber of Commerce should be requested to state what action, if any, they proposed to take.

The following telegrams were therefore exchanged between this Chamber and the Bengal Chamber :—

Telegram to the Bengal Chamber.—" Understand protest is being lodged with Board of Trade by British Industrial interests against increase from 10 per cent. to 15⅝ per cent. in clause three Section twenty-one of Bill amending Indian Tariff Act, 1934. Please advise urgently if your Committee propose taking any action."

Telegram from the Bengal Chamber.—" Informed Calcutta importers iron and steel have already submitted protest through British Trade Commissioner and have arranged for their Home Principals take matter up with Government of India through Board of Trade. Bengal Chamber advised protest to Government of India unlikely be effective and intends take no direct action unless further evidence produced."

Two days later the European Group in the Central Legislature wired as follows :—

" Tariff Bill amended by omission sub-clause (21) clause 3, effect is that items 63(2), 63(3), 63(6), 63(12), 63(15), 63(17), 63(19), 63(20), 63(21), 63(27) remain unchanged."

As the amendment met the complaint of the members concerned, the Sub-Committee recommended to the General Committee that no further action was necessary.

The Rules under the Agreement were published in the *Gazette of India*, dated 17th June 1939.

The Rules apply to goods consigned to India from the following countries :—

(*a*) The United Kingdom of Great Britain and Northern Ireland.

(*b*) The Colonies, British Protectorates and territories under the British Mandate specified in the First Schedule to the Rules.

According to a Press Report the new agreement came into force on the 15th August 1939.

INDO-JAPANESE TRADE AGREEMENT.

(*See Reports* 1932, *page* 137 ; 1933, *page* 130 ; 1934, *page* 139 ; 1936, *page* 91 ; 1937, *page* 65.)

In April 1939 the Chamber was informed by the Financial Department, Government of Bombay, that the Convention and Protocol regarding the commercial relations between India and Japan, which were signed on the 12th of

October 1937 would, subject to due notice of denunciation, cease to be effective after the 31st of March 1940. The Chamber was requested to furnish its views in the light of the experience of the existing agreement.

After appointing a Special Sub-Committee to examine the question of the renewal of the Agreement the Committee addressed the Government of Bombay to the effect that while accepting the fact that certain advantages might have accrued to India from the Convention and Protocol as amended in 1936, they were of the opinion that on the whole results did not sufficiently warrant their renewal on the existing terms and they therefore considered that Government should bear in mind the desirability of giving notice to discontinue the convention by which Japan received most-favoured-nation treatment in respect to the whole of her trade with India with the limitation only as regards quantities of certain goods scheduled in the quota. In view of India's unfavourable balance of trade with Japan and Japan's need of exports the Committee suggested that India was in a fairly strong bargaining position and that it might well be possible to secure improved terms.

Further the Committee feared that the existing Protocol would not succeed in improving or in fact maintaining the previous figures of raw cotton exports from India to Japan, while Japan would continue to have the advantage of most-favoured-nation treatment for her important miscellaneous export trade. They therefore recommended that negotiations should be initiated by the Government of India in order that a new Agreement might be arrived at between the two countries whereby Japan's total miscellaneous export trade to India should be included with piecegoods in the quota and be set-off against Japan's takings of Indian raw cotton.

If however this proposal was not acceptable to Government, the Committee particularly urged that yarns and also those classes of woven or knitted cotton fabrics which were, at the moment, excluded from the piecegoods quota should

be included in the new Agreement as Japanese competition in all these goods was increasing. They suggested that imports of these goods should be limited to a figure based on the average imports during the last five years.

The Committee strongly recommended that the basis of any quota affecting piecegoods should be changed from linear yardage to square yardage and that a similar basis should be applied to the importation of fents. This matter was regarded as one of importance, as attempts had been made in the past to circumvent the quota regulations by exporting piecegoods of abnormal widths.

In conclusion, the Committee drew attention to the difficulties experienced in obtaining foreign exchange in payment for exports to Japan, and recommended that the possibility of establishing a Clearing House in India should be given due examination and furthermore that in the new Agreement a definite undertaking should be inserted to the effect that no discrimination would be made by the Japanese authorities in allotting freight or exchange permits between their own nationals and other exporting houses in India. The Committee presumed that the Government of India would, as on the previous occasion, appoint non-official advisers who would be consulted at all stages during any future negotiations with the Government of Japan.

The Government of India subsequently invited the Associated Chambers of Commerce of India to nominate three unofficial advisers to assist in the negotiations.

The following gentlemen were nominated to represent the Associated Chambers :—

Mr. A. K. G. Hogg (Bombay Chamber).

Mr. G. J. K. Hook (Bengal Chamber).

Mr. W. R. Watt (Upper India Chamber).

Later Mr. Hogg intimated his inability to act as an unofficial adviser and his place was taken by Mr. L. P. Jenkin, nominee of the Tuticorin Chamber.

Mr. W. R. Watt also intimated his inability to attend and was replaced by Mr. C. W. Tosh.

At the time of writing this Report negotiations were in progress between the Government of India and the Japanese delegation.

INDIA AND BURMA (TRADE REGULATION) ORDER, 1937.

Towards the end of 1938 the Chamber was asked for its views both by the Associated Chambers of Commerce of India and the Burma Chamber of Commerce regarding the India and Burma (Trade Regulation) Order of 1937. The Burma Chamber pointed out that the duration of the Order was " 3 years or until 12 months had elapsed from the giving by the Governor-General of India to the Governor of Burma, or by the Governor of Burma to the Governor-General of India, of notice to terminate the operation of the Order, whichever was the longer period." It was therefore open to either party to give notice of termination on or after the 1st of April 1939. The Burma Chamber stated that the question was being considered by a Sub-Committee of that Chamber and the general feeling was that a continuance of the existing conditions would be in the best interests of both countries. The Committee of this Chamber intimated that they were in favour of the continuation of free trade between India and Burma and that when occasion offered they would endeavour to take suitable action to give expression to this point of view.

In February 1939 a resolution was moved in the Central Legislature recommending the termination of the Trade Regulation Order and the negotiation of a fresh agreement in consultation with the leaders of parties, subject to the ratification of the Assembly.

The arguments of the supporters of the resolution proceeded mainly on political rather than economic grounds. The Trade Regulation, it was urged, was more important to Burma than to India; and therefore could be used as a lever to force Burma to protect Indian lives and property.

The European Group objected to the determination of the Order on political grounds and pointed out that very little economic justification for determination had been shown. The Group were of the opinion that Government should consult not party leaders but the industries concerned and that it would be improper for the agreement to be subject to ratification by the Assembly. The Commerce Member explained that the whole matter was under the active consideration of Government.

The resolution was carried without a division.

In August 1939 the Burma Chamber forwarded a copy of the preliminary report of the Sub-Committee which was appointed by that Chamber to examine the question. From the report it was evident that the Burma Chamber approved of a policy of free trade between India and Burma which should be included in an agreement between the two countries for a duration of 10 years.

SEA CUSTOMS ACT.

SECTION 30 (*b*).

(*See Reports* 1932, *page* 155; 1933, *page* 102; 1934, *page* 105; 1936, *page* 69; 1938, *page* 60.)

During the year under review the following two questions were raised in regard to the interpretation of Section 30 (*b*) of the Sea Customs Act.

Had the Bombay Customs the right—

(1) to impose a charge to cover buying commission not shown in invoices in calculating the value of imported goods ?

(2) to add to the invoice value the item of war risk where it was not specially shown in the invoice ?

According to Section 30 (*b*) "real value" included the cost of the goods with all charges for freight, insurance, packing, landing charges, commission and interest. This view was accepted by the Chamber.

Accordingly when the invoice did not include the cost of purchasing or of producer's profit it was not the real value and the Customs Authorities were justified in making an additional assessment. This, however, did not apply to cases where the Head office of a firm in Europe invoiced c.i.f. to customers in India, since the amount realisable from a customer must obviously cover all costs including buying commission and producer's profit. It was understood that the Customs were prepared to accept this point of view if proper representations were made to them by the firms concerned. In the case, however, of goods invoiced for stock purposes from a European head office to their corresponding office in India and a buying charge or commission was not included, it was considered that the Customs were justified in imposing a charge to cover this.

In regard to the second question from enquiries made of the Collector of Customs it appeared that a notice was issued in January 1939 to the effect that in accordance with the orders of the Government of India duty would be leviable on war risk insurance charges in respect of goods assessable on their value as defined in Section 30 (*b*) of the Act from the 16th of January 1939.

After considering the matter the Committee considered that the Customs were justified in making this charge. They understood that where an arbitrary percentage had been added and it was claimed that war risk insurance already formed part of the c.i.f. value of the goods, applications for refund would be entertained if satisfactory documentary evidence was produced within three months of payment of duty to the effect that such war risk insurance had in fact been included in the c.i.f. price.

NEW SYSTEM OF EXAMINATION IN THE CUSTOM HOUSE.

In July 1939 the Bombay Custom House Clearing Agents' Association forwarded for the support of this Chamber a copy of a representation which they had

submitted to the Collector of Customs regarding the hardships and delays which were being experienced by all clearing agents and merchants due to the new system of examination in the examination sheds. Under the old system the appraiser from the Custom House issued an examination order on a bill of entry after which the packages were brought to the examination shed and the bill of entry placed before the shed appraiser who then nominated an examining officer for the inspection of the cases. This officer, on completion of his examination, noted such remarks as were necessary on the bill of entry.

Under the new system which had been brought into force the examination hall was marked off with white lines wherein packages were placed for examination and the clerk looking after the consignment had to stand near these packages with the bill of entry available for the examining appraiser. When this appraiser arrived, he usually asked for all the packages to be opened. Only one carpenter was supplied by the Port Trust and it therefore took some considerable time to open up all packages. After the shed appraiser had inspected the cases, they had to be closed and removed immediately from the examination shed and at this time congestion often occurred.

In supporting this representation to the Collector of Customs the Committee stated that in their opinion the method of examination of packages under this system was unsatisfactory and there was considerable room for improvement. They understood that in the case of Alexandra Dock there were four sections covering a certain number of berths each, and in each of these sections one shed was set apart as an examination hall for all the packages arriving in this section. In the case of a number of packages being landed from a ship at No. 4 berth and requiring examination, these packages had to be removed from No. 4 shed to the first floor of No. 6 shed, which was the examination hall for this section of the docks. Considerable expense was therefore incurred by importers in removing the packages

from No. 4 shed to the first floor of No. 6, and on completion of the examination, returning the packages from No. 6 shed to No. 4 for delivery.

The Committee suggested that this system was not satisfactory and that facilities should be offered by the Custom Authorities for packages to be examined in each shed. If such a procedure were brought into force the result would be that the appraisers would move from shed to shed and importers would not then have to incur the expenses of transferring packages as detailed above.

In conclusion, the Committee stated that in their opinion the number of appraisers in the Docks was insufficient to give an efficient and speedy service to importers and that the Appraising staff at the Central Customs House should also be increased.

In reply the Collector of Customs stated that after inspection of the new system of examination he was satisfied that it was a decided improvement over the old system in all respects. The question of increasing the number of examination centres was under consideration but an improvement in this direction might not be necessary or possible in the near future in view of the reduced imports and the disturbed conditions on account of the war.

As in the opinion of the Committee the position was still unsatisfactory they again addressed the Collector and stressed the difficulties involved under the new system of examination in the docks. The Committee pointed out that if, as stated by the Collector, imports into Bombay would decrease owing to the war, it seemed that these conditions should greatly facilitate the introduction of the procedure suggested by the Chamber as Appraisers would not be so fully occupied as they were in the normal course. The Collector was therefore requested to give the matter further consideration.

CUSTOMS REGULATIONS REGARDING BAGGAGE RULES.

Under the Central Board of Revenue Notification, dated the 14th of September 1929 in Clause 2, Item (*f*), it is stated that "The *bona fide* baggage of a passenger (which is exempted from duty) shall not include articles for household use . . . . . except such articles (other than furniture and carpets) as shall appear to the Customs authorities to be imported in a moderate quantity and to be required for the personal use of the passenger whilst travelling or immediately upon his arrival at his destination."

According to Notification No. 129, dated the 5th of November 1938, Item (*f*) was altered to read as follows :—

"(*f*) Articles for household use, such as furniture, pictures, carpets, glass, crockery, cutlery, and silver and plated ware, except the following articles within the maximum limits specified against each :—

Articles.	*Maximum limit per passenger.*
Pictures	Rs. 50.
Glass and Crockery	„ 100.
Cutlery	„ 75.
Silver and plated ware	„ 200.
Cooking utensils	„ 25.
Portable stove	„ 10.
Gramophone records	No. 20."

As a result of the amending Notification it appeared that the discretionary powers of the Customs Authorities had been abolished and that a passenger arriving in India was not allowed to import free of duty any household linen. On this matter being represented to the Chamber it was referred to the Collector of Customs, as the restriction was considered to be unreasonable. The Central Board of Revenue subsequently issued a further amendment allowing free entry in respect of household linen up to a maximum value limit of Rs. 100.

CUSTOMS DUTY ON JEWELLERY.

In April 1939 the Chamber's attention was drawn by the Upper India Chamber of Commerce to the fact that the

Customs Authorities in Bombay had issued an order whereunder passengers arriving in India would only be allowed to bring in jewellery to the value of Rs. 5,000 free of duty. In view of the fact that on certain occasions ladies who had gone on leave from India had been unaware of the restrictions recently imposed, the Chamber enquired whether in the circumstances the Collector would be prepared to issue a re-entry permit if a certificate from the shipping company showing the date of sailing was forthcoming, together with a certificate from the insurance company detailing the articles of jewellery with their value insured with the company. If necessary, a certificate from the lady or her husband could also be produced to the effect that the articles mentioned in the insurance report were all actually in India previous to departure.

In reply the Collector of Customs stated that the proper procedure to be followed by a person who intended to take out of India jewellery of value exceeding Rs. 5,000 (the minimum limit of free allowance under the Baggage Rules) and to re-import it, free of duty, was as follows. All the articles of jewellery and a list giving detailed description of each article should be presented to the Appraising Department in the New Custom House if the articles were to be shipped as cargo or as baggage, or to the Postal Appraising Branch at the Irwin House Post Office if they were to be despatched by post, for verification that the description of each article as entered in the list was correct and sufficient for purposes of identification on re-importation. The list so verified would be signed and issued as an export certificate, which should be produced to the Customs Officer when the jewellery was re-imported.

The Collector added that as the jewellery, in the case referred to, had already been exported, export certificates could not be issued, but the question of granting free entry on re-import would be considered on production of the certificate of insurance and other connected documents,

if any, showing that the jewellery had been actually taken out of India less than 3 years previously.

IMPORT DUTY ON COTTON.

The Finance Member announced in his budget speech which was presented to the Legislature on Tuesday, 28th February 1939, that the Government of India had doubled the duty on imported foreign cotton.

The Committee immediately forwarded the following telegram to the European Group, Indian Central Legislature :—

" Committee consider that the tax on imported cotton should be resisted on ground that it disturbs basis of protection to mills without prior open enquiry and taxation having this effect not considered appropriate for inclusion in Finance Act."

The increased duty on imported foreign cotton was embodied in the Finance Bill which was duly certified by the Governor-General.

IMPORT DUTY ON WHEAT.

AMENDMENT OF THE INDIAN TARIFF ACT, 1934.

(*See Report for* 1938, *page* 67.)

It was recorded in the Chamber's report for 1938 that in December 1938 a Bill to amend the Indian Tariff Act, 1934, was introduced in the Central Legislative Assembly whereby Government imposed a duty of Rs. 1-8 per cwt. on wheat imports into India which took effect immediately.

The Chamber strongly opposed the imposition of the duty, but as Government and all parties in the House were in favour of its imposition, the European Group were unable to oppose the Bill. The Group therefore confined themselves to attempting to exempt *bona fide* contracts existing on the 7th December and succeeded in persuading Government

to agree in part to such exemption. At the last moment, however, opinion amongst all other parties in the House combined against such exemption and the Group's amendment was defeated.

Before the Bill was considered in the Council of State in the middle of January 1939, the Chamber sent the following telegram to the Group at the Centre :—

"Please request Chamber representative Council of State to move amendment to Indian Tariff Act Amendment Bill wheat in exactly similar terms Group amendment Legislative Assembly 12th December page 4412 Assembly Debates."

The amendment was however lost without a division and the Bill was passed.

IMPORT DUTY ON FOREIGN BEER.

In July 1939 the Associated Chambers of Commerce of India forwarded for the opinion of the constituent Chambers a copy of a representation that had been submitted to the Central Board of Revenue regarding an alteration that had been made in the Customs tariff in regard to imported beers. Before the new Tariff Act came into force the duty on British beer stood at 14 annas per gallon and that on other foreign beer at Rs. 1-2 per gallon. As a result of the introduction of the new tariff the duty on British beer was increased by one anna per gallon and the duty on other foreign beer was reduced by 3 annas per gallon, bringing all to the same level of 15 annas a gallon. It was contended that with the prohibition policy being pursued in the Congress-governed Provinces the brewing industry in this country had to face many severe difficulties. It would accordingly appear that if the indigenous industry was to be supported and to survive, it was the duty of the Government of India to protect the industry by increasing the import duty on foreign beers instead of decreasing it. In considering this matter the Committee informed the Associated Chambers that they were not in favour of support being given to the representation by the Association as they

considered that no sort of proposal should be put forward which might run the risk of increasing the duty on British beers which was already relatively high.

As the majority of the constituent Chambers deprecated any action on the part of the Association, the matter was allowed to drop.

LIST OF ARTICLES SPECIFIED IN THE SEA-BORNE TRADE RETURNS OF BRITISH INDIA.

(*See Reports* 1935, *page* 112 ; 1936, *page* 66 ; 1937, *page* 21 ; 1938, *page* 81.)

In October 1939 the Director-General of Commercial Intelligence and Statistics enquired whether the Chamber had any suggestion to put forward for the amendment of the list of articles specified in the Sea-borne Trade Returns of British India.

The following suggestions were received from members, all of which were submitted to the Director-General for his consideration.

(*a*) In view of the fact that from the commencement of the fiscal year on the 1st of April 1939 imports from Germany of the following articles would be excluded and probably also those from Belgium and Holland, it was suggested that the principal imports of Electric Wires and Cables would be from the United Kingdom, Sweden, the United States of America and Japan, with particular emphasis on Sweden. It was, therefore, suggested that the return as from the 1st of April 1940 might with advantage read as follows :—

Electric Wires and Cables.
Rubber Insulated—
From United Kingdom.
„ Sweden.
„ United States of America.
„ Japan.
„ Other countries.

Insulations, other than rubber—
From United Kingdom.
„ Sweden.
„ United States of America.
„ Japan.
„ Other countries.

Telegraph and Telephone Wires and Cables.
From United Kingdom.
„ Sweden.
„ United States of America.
„ Japan.
„ Other countries.

Bare Copper Wire (electrolytic) other than telegraph and telephone wires.
From United Kingdom.
„ Sweden.
„ United States of America.
„ Japan.
„ Other countries.

(*b*) that a separate classification should be applied to Roofing Felt Rolls and Roofing Shingles.

(*c*) that a separate classification should be applied to Oilcake Meal and Oilcake.

(*d*) that it would be of advantage to Indian manufacturers for Looms, Dobbies, Valves and Malleable Beam Flanges for the textile industry to be classified separately.

(*e*) in view of the imposition of an excise duty on Bengal Lights or Coloured Matches and Mechanical Lighters it was suggested that these items should be separately classified.

(*f*) that the share in the import of Omnibuses of each province should be shown as in the case of Motor Cars.

(*g*) that in the entry, "Asbestos Sheets, Slates, etc., etc." should be deleted and details of imports of Asbestos Cement corrugated and flat sheets should be added together with an analysis of the sources of supply.

TARIFF VALUATIONS.

Proposed Changes.

In June 1939 the Director-General of Commercial Intelligence and Statistics forwarded a statement showing certain additions and alterations proposed in the existing tariff valued heads and enquired whether the Chamber had any views to put forward in regard to the proposed changes.

After referring the matter to the Import Sub-Committee the Director-General was informed that the Committee had no comments to offer.

REPORT ON EXPORT TRADE OF THE UNITED KINGDOM.

In April the Federation of Chambers of Commerce of the British Empire forwarded to this Chamber a report which was issued by the Association of British Chambers of Commerce on Export Trade which proposed a new technique in international trade and which was the basis of a number of resolutions put forward by the United Kingdom Chambers at the Fifteenth Congress of the Federation of Chambers of Commerce of the British Empire.

As it was felt that this subject was of such vital importance to the future of Empire trade the Chamber was requested to express an opinion on the report.

The main suggestions to improve export trade contained in the report were briefly as follows :—

(*i*) A review of world markets to be made by Government in terms of values and volumes so as to ascertain—

(*a*) the minimum export trade at which British policy aims;

(*b*). the markets in which the United Kingdom were entitled to expect to reach achievement;

(*c*) the changes that were necessary to make the achievement probable.

With this information trade agreements should be entered into based on the following conditions.

(*ii*) Access to the British import market would be allowed only to those countries who agreed to take a ratio of exports from the United Kingdom.

(*iii*) A three column tariff should be introduced. The lowest range would be applied to the Empire; the middle range to countries which received most favoured-nation-treatment, and the highest range to countries which were not prepared to negotiate and accept a trade agreement.

(*iv*) Countries entering into quantitative trade agreements should bind themselves to place at the disposal of their nationals the amount of foreign currency required to cover the volume of import stipulated.

(*v*) A provision should be included that if the rule of competitive freight was rejected the country which bought the goods should direct their carrying and that the United Kingdom buyers should use only British-owned ships for all such imports.

After referring the report to the Import and Shipping and Export Sub-Committees the Committee informed the Federation that they were in full sympathy with the aims of the Association of British Chambers of Commerce. In view, however, of the complexity of the question of finding ways and means to improve the export trade of the United Kingdom and the fact that such Governmental machinery that might exist or might be introduced in the future for dealing with trade matters was more easily available for examination and criticism by members of firms established in the United Kingdom, they did not feel that at this distance they were in a position to make practical suggestions which would help in the attainment of the object as set out in the report.

SAMPLES OF INDIAN MERCHANDISE IMPORTED INTO GERMANY.

In November 1938 the Director-General of Commercial Intelligence and Statistics informed the Chamber that intimation had been received from the Indian Government Trade Commissioner, Hamburg, to the effect that according to a recent decision of the German Customs Authorities samples of Indian merchandise sent to his office for the purpose of investigating the possibility of marketing such commodities in Europe were subject to import duties.

The Indian Government Trade Commissioner therefore advised that firms in India should not send samples of Indian goods to his office without first obtaining his consent. In many cases it was possible for the Trade Commissioner to give an idea of the trade possibilities in the countries concerned if only an adequately detailed description of the articles and their uses were furnished.

In March 1939 the Chamber received a further communication through the Director-General of Commercial Intelligence and Statistics to the effect that the existing position in regard to the levy of duties on samples of merchandise imported into Germany by post was as follows :—

1. Import duties must be paid on samples of the following goods :

Tulle, made of silk or partly of silk, bobbin laces (klopel spitzen) hereon and ostrich feathers, products from tobacco and cigarette covers.

2. No import duty was levied :

(*a*) On samples provided the nett weight did not exceed 250 grammes and provided the customs rate chargeable on the goods did not exceed RM 300 per 100 kgs. (There were no restrictions as to the number of samples which might be imported duty-free, provided they conformed with the above conditions.)

(*b*) On samples of tea, provided the nett weight did not exceed 250 grammes even if the import duty exceeded RM 300 per 100 kgs. No surcharges were levied on tea. (There were no restrictions as to the number of samples which might be imported duty-free, provided they conformed with the above conditions.)

(*c*) On samples of all kinds of goods with the exception of those falling under 1, provided the nett weight did not exceed 50 grammes.

(*d*) On samples of coffee, cocoa, raw tobacco, sugar, dried fruit, provided the nett weight did not exceed 350 grammes. (There were no restrictions as to the number of samples which might be imported duty-free, provided they conformed with the above conditions). Tobacco, only if sent to manufacturers or traders registered in accordance with the German Tobacco Tax laws.

These rules applied to samples originating from all countries.

IMPORT OF RAW RICE INTO SWEDEN UNDER PERMIT.

In March 1939 the Director of Information, Bombay, forwarded to the Chamber a copy of the following notice issued by the Swedish Ministry of Foreign Affairs regarding the restriction of import of raw rice into Sweden :—

"From the 15th February 1939 raw rice as well as products thereof intended for fodder purposes, may be imported into Sweden only after permission from the Agriculture Committee to the Government of Sweden.

"If an import licence is obtained an import fee of 5 Swedish ore per kilogram has to be paid for raw rice and products thereof on the presumption that the goods are considered to be used as fodder."

RAILWAY CLASSIFICATION OF GOODS.

AMENDMENT IN RESPECT OF CERTAIN COMMODITIES.

(*See Report* 1938, *page* 91.)

During the year under review the Chamber was asked by the Indian Railway Conference Association for its views in regard to various proposals that were put up for discussion at the meetings of the Commercial Committee in connection with the amendment of the General Classification of Goods. After consulting the Docks and Railways Sub-Committee in each case, the Committee approved of most of the proposals and except in the cases mentioned below, offered no comments :—

Noil Yarn (*December* 1938).

A proposal was put forward that noil yarn should be separately classified and indexed to piecegoods, cotton, woollen or artificial silk.

The Committee were of opinion that it should be classified as "Yarn, Cotton or Artificial Silk" indexed to Piecegoods, Cotton, Woollen or Artificial Silk.

Boiler Composition (*January* 1939).

A proposal was made that "composition for preventing incrustation in boilers, solid" be separately classified at 2B R.R. and 2 O.R.

This was agreed but it was suggested that the classification should include the word 'non-dangerous' as there appeared to have been some doubt in the past as to the nature of this commodity.

Fire-proofing Solution (*February* 1939).

A recommendation was put forward that fire-proofing solution (non-dangerous) be classified 8 R. R.

While the Committee agreed with the recommendation, they pointed out that the entry in the English General Classification read "fire-proofing solution, non-poisonous" and not "non-dangerous" and suggested that further enquiries should be made as to whether there were poisonous or non-poisonous fire-proofing solutions.

Springs, Iron for Gramophone, etc. (*March* 1939).

The Railways were divided in their opinion as to the classification of "springs, iron for gramophone, etc." Some Railways suggested that the article should be classified as "springs, iron or steel," while others, as "gramophone, component parts of."

The latter suggestion was supported by the Chamber.

Wattle Bark (*April* 1939).

A recommendation was put forward that wattle bark be classified as a special entry and charged at 3 R.R. and 2B O.R.

The Committee were not in accord with the recommendation as it was not understood on what grounds it was concluded that wattle bark was a manufactured article. It was in fact a raw product used mainly for tanning purposes. They therefore recommended that it should be classified as "tanstuffs, N.O.C., i.e., bark leaves, nuts or fruits used in tanning" 1st Class R.R.—.38 pies per maund per mile.

Malthoid Dampcourse (*May* 1939).

A proposal was put forward that malthoid dampcourse be shown in the list of synonyms and trade names, etc.,

as a synonym for "water-proofing liquids, powders or compounds, non-inflammable."

The Committee were of opinion that the commodity should be classified as "Roofing felt or patent 2A R.R., 2 O.R., .46 and .42 pies per maund per mile respectively."

Arvi Root—Chamagudda (*July* 1939).

It was proposed that the entry "Arvi Root" in the General Classification of Goods be deleted and that "Arvi Root" be entered in the list of trade names, synonyms, etc., as chargeable under the main head "Yams."

As far as the Committee were aware arvi root and yams were not the same commodity as had been suggested. Chamagudda was the Telegu name for Arvi Root. It was therefore suggested that the existing entry in the list of synonyms should be altered to show "chargeable as arvi root."

Beroza, Gandaberoza and Dhoona (*November* 1939).

It was recommended that the entry of "Beroza" be deleted from the General Classification of Goods and the entry "Resin (Dhoona)" be altered to read "Resin." It was also recommended that "Beroza" be shown as a synonym for "Rosin" and "Gandaberoza" and "Dhoona" for resin in Appendix A of the I.R.C.A. Goods Tariff and that the existing entry of "Gandaberoza" be deleted.

The Committee were in agreement with the proposal except that they considered that "Dhoona" should be entered in Appendix A of the I.R.C.A. Tariff chargeable as "Rosin"—2A. R.R., 2 O.R. The Chamber understood that "Dhoona" was a grade of Rosin which was in solid form, whereas "Resin" was a liquid paste.

Coloured Pastels (*December* 1939).

The views of the Chamber were requested regarding the classification of coloured pastels. The article was being charged as "Chalk Crayon" over the East Indian and

B. B. & C. I. Railways, and as "Stationery" over the G. I. P. Railway.

The Committee were of opinion that this class of goods could be appropriately charged as "Chalk Crayon."

RAILWAY FREIGHT ON COAL, COKE AND PATENT FUEL.

Re-imposition of Surcharge.

Prior to the 1st November 1939 the 12½ per cent. surcharge on railway freight on coal, coke and patent fuel, subject to a maximum of Re. 1 per ton, was not leviable when booked from East Indian Railway colliery stations to Bombay and certain stations in the vicinity of Bombay.

In September 1939, however, the East Indian Railway informed the Chamber that in view of altered circumstances on and from 1st November 1939 the railways could no longer continue this exemption.

After obtaining the views of members interested in this matter the Committee addressed a letter to Sir Guthrie Russell, War Transport Board, drawing attention to the notification and stated that they were unaware whether or not the War Transport Board had approved of this increase, and if in the affirmative whether the Board would be good enough to advise the Chamber as to what had influenced them in arriving at their decision.

It was regarded as inequitable by the Chamber that the Port of Bombay should be singled out in this matter and there was no doubt that many important industries would be seriously affected by this increase in fuel costs.

In November 1939 the Railway Board informed the Chamber that the surcharge on coal booked by rail to all parts of India had been in force for many years. In 1932, coal booked from the Bengal and Bihar coal fields to Bombay and a few stations in the vicinity thereof was exempted from the surcharge with a view to combat

coastwise steamer competition, but the surcharge remained leviable on all other movements of coal and was also payable by railways. The position, therefore, was that prior to 1st November 1939 Bombay and stations in its vicinity were "singled out" for exemption but subsequent to that date they had been put on the same footing as all other destination stations.

It was added that as the circumstances which originally led to the withdrawal of the surcharge on coal booked from the Bengal and Bihar coal fields to Bombay no longer existed, the Board did not see any justification for deferring the restoration of the surcharge which was also being levied on coal booked from the Central Provinces coal fields to Bombay since its introduction.

RAILWAY FREIGHT ON COAL.

Adjustment of Surcharge to meet Wagon Shortage.

With a view to increasing the movement of coal traffic in the slack season—June to October—and to decrease it in the busy season—December to May, the General Manager of the G. I. P. Railway requested the Chamber to nominate a representative to attend a meeting which was held on the 23rd May 1939 to obtain the views of the coal trade on the following subject :—

"That during the months of June to September inclusive the present surcharge of 12½ per cent. on coal freight limited to a maximum of one rupee per ton be foregone and that from October to May the surcharge be increased to 15 per cent. subject to a maximum of Rs. 1-4 per ton. This proposal if adopted would apply to all public and railway coal which at present bear a surcharge."

The Committee nominated Mr. D. F. Macmillan.

At the Conference a representative of the Central Provinces expressed the opinion that the proposed change would not be beneficial to the coal trade. He considered the months selected for the removal of the surcharge would be unsuitable from the collieries' point of view owing to

labour difficulties, and the proposal therefore would not have the desired effect. An increased surcharge from October onwards would have the effect of restricting the demand from consumers, who would not be able to take sufficient coal to carry them through the busy season and the demand for coal would again rise during the period of peak traffic. The months of June to September showed the lowest production of coal and it was thought that if the surcharge was withheld from July to December there might be some advantage. In the Central Provinces there was seldom a shortage of wagons and if the proposal was put into effect by the Railway Board it would upset the labour balance in the collieries. The months July to September and November were the most difficult for obtaining labour.

The Chamber's representative stated that having heard the views of the Central Provinces interests he understood that wagon shortage had not been their problem. The wagon shortage originated on the East Indian Railway, partly owing to peak traffic from January to April and partly to the railway difficulties of power and track. He understood that the introduction of fast goods train service recommended in the Wedgwood Report had led to a slowing up of traffic on the East Indian Railway on account of limitation of track. So far as Bombay Island was concerned wagon shortage had no direct effect nor would it be affected by the Railway Board's proposal, as practically all the coal that came to Bombay came by sea and no surcharge was levied. With regard to the Bombay Presidency ginning factories which were served by both Central Provinces and Bengal Coal, these would be affected by wagon shortage, as also the collieries with a consequent loss of business, as seasonable business could not wait for coal supplies. He agreed with the Central Provinces interests that June to September would not be a suitable period for the removal of the surcharge because in the past, wagon shortage had been known to continue up to June. He suggested extending the period to 5 months, but if that was not possible, then to 4 months from July to November.

Generally, he was in favour of the proposal, but admitted that it would not assist all consumers of coal, as some could not lay in stocks in the monsoon and hold them. Another difficulty would be the payment of freight on damp or wet coal which weighed heavier during the monsoon. He considered however that the offer of removal of the surcharge outweighed these factors and would be attractive to consumers. Further, the proposal would help the railways to level up their traffic during the year, and would be a definite advantage to the colliery owners.

The General Manager said that if the period were extended from July to November or December, it would interfere with the ordinary busy season traffic.

The Chamber's representative maintained that the railways had always been able to deal with traffic up to December and that the period July to November would be more useful to the trade and there would be no disadvantage to the railways.

Several other representatives expressed their views, all of which were submitted to the Railway Board.

RAILWAY RATES.

Proposed Central Organisation for Distribution of Information.

(*See Report* 1937, *page* 96.)

It was recorded in the Chamber's Report for 1937 that a joint communication was received from the Chief Traffic Manager, G. I. P. Railway, and the General Traffic Manager, B. B. & C. I. Railway, in which they suggested the establishment of a Central Organisation for advising firms of changes in goods rates of commodities in which they were particularly interested. The communication was circulated to members for their opinions which were passed on to the two railways.

Early in February 1939 the Chamber received a copy of a resolution of the Commercial Committee for Interchange of the Indian Railway Conference Association, which is reproduced for the information of members :—

"At the last meeting of the Commercial Committee this subject was deferred to enable Members to investigate the matter further and to enquire from commercial interests whether the proposed Central Bureau was a real need and whether, in the event of it being decided to inaugurate it, they would be prepared to pay a fee of Rs. 15 per annum for each commodity for which they desire to be posted with up-to-date information of changes in rates. The replies received from the various mercantile and trade interests to which a reference was made indicate a considerable divergence of opinion. There has not been unanimous response to the proposal and it is clear that, if an organisation were introduced, it would not be self-supporting. The Commercial Committee consider that at the present time there is insufficient demand to warrant the scheme being pursued."

RAILWAY STANDARD CONDITIONS OF CONTRACT.

CONTRACT FOR STORES, SERIAL NOS. A-1, A-2, A-3-39.

(*See Reports* 1932, *page* 190 ; 1933, *page* 191.)

In June 1939 the Associated Chambers of Commerce of India asked for the views of the Chamber on a letter from the Central Standards Office, Railway Department, with regard to the following proposed amendments for contracts for stores, Serial Nos. A-1, A-2 and A-3-39.

(*a*) *Clause* 3.—After the sentence "No interest . . . . on cash deposits" add the following—

"The Purchaser shall be entitled to deduct from the said deposit any loss or damage which the Purchaser may be put to by reason of any act or default of the Contractor or any other money recoverable by the Purchaser from the Contractor and to call upon the Contractor to maintain the deposit at its original limit by making further deposits."

After the words "to make" in the next sentence, *add* "and to maintain."

(*b*) Add the following Clause between Clauses 21 and 22 in A1-39 and 19 and 20 in A-2 and A3-39—

"The Purchaser shall be entitled to retain the amount of any claim of the Purchaser against the Contractor whether liquidated or unliquidated arising out of the Contract under reference or otherwise

however and set off the same *pro tanto* against any amount payable to the Contractor under the contract under reference or otherwise howsoever without prejudice and in addition to the other rights of the Purchaser to recover the amount of any such claim as aforesaid."

Clause 3 of the Conditions of Contract Nos. A-1, A-2 and A-3-39 read as follows :—

Clause 3 *of A*-1.—Unless otherwise agreed between the Purchaser and the Contractor, the Contractor shall, within 14 days after written notice of acceptance of the Tender has been posted to the Contractor, deposit with the Railway concerned (in cash or the equivalent in Government Securities or approved Banker's Guarantee Bond) a sum equal to 5 per cent. on the total value of the approximate quantities of the Stores detailed in the said Schedule for which the Tender has been accepted, subject to a maximum of Rs. 10,000, as security for the due fulfilment of the Contract. No interest shall be payable on cash deposits. In the event of the Contractor failing to make a security deposit in the manner aforesaid, he shall be liable to forfeit any moneys lodged with the Tender by him and the Purchaser shall be entitled to cancel the acceptance of the Tender.

Clause 3 *of A*-2.—Unless otherwise agreed between the Purchaser and the Contractor, the Contractor shall, within 14 days after written notice of acceptance of the Tender has been posted to the Contractor, deposit with the Railway concerned (in cash or the equivalent in Government Securities or approved Banker's Guarantee Bond) a sum equal to 5 per cent. on the total value of the Stores detailed in the said Schedule for which the Tender has been accepted as security for the due fulfilment of the Contract. No interest shall be payable on cash deposits. In the event of the Contractor failing to make a security deposit in the manner aforesaid, he shall be liable to forfeit any moneys lodged with the Tender by him and the Purchaser shall be entitled to cancel the acceptance of the Tender.

Clause 3 *of A*-3.—Unless otherwise agreed between the Purchaser and the Contractor, the Contractor shall, within 14 days after written notice of acceptance of the Tender has been posted to the Contractor, deposit with the Railway concerned (in cash or the equivalent in Government Securities or approved Banker's Guarantee Bond) a sum equal to 5 per cent. of the total value of the Stores detailed in the said Schedule for which the tender has been accepted, subject to a maximum of Rs. 10,000, as security for the due fulfilment of the Contract. No interest shall be payable on cash deposits. In the event of the Contractor failing to make a security deposit in the manner aforesaid, he shall be liable to forfeit any moneys lodged with the Tender by him and the Purchaser shall be entitled to cancel the acceptance of the Tender.

The amendments in question would have the effect of enabling the purchaser, i.e., the railways to deduct from the deposits made by the contractor any loss or damage caused by any act or default of the contractor or any other money recoverable by the purchaser from the contractor; and of authorising the purchaser to retain the amount of any claim against the contractor arising out of the contract or otherwise, and to set it off against the amount payable to the contractor under the contract or otherwise.

After obtaining the views of members interested the Committee informed the Associated Chambers that they had no comments to offer.

UP-COUNTRY SURVEYS.

Claims for Shortages against Railways.

(*See Reports* 1936, *page* 143; 1937, *page* 115; 1938, *page* 100.)

It was recorded in the Report for 1938 that the Associated Chambers of Commerce of India had addressed a letter to the Railway Board requesting that surveys should be permitted to be held at railway stations by insurance companies' representatives when damage had occurred to goods before they were removed from the railway premises. In reply the Railway Board agreed that when a consignment showed clear evidence of damage or loss it should be surveyed by the railway staff irrespective of whether it was booked R.R. or O.R. and a certificate showing the result of such survey would be granted to the consignee. When the consignment was booked at Owner's Risk the open delivery would be without prejudice. The Committee forwarded the suggestion of the Railway Board to the Underwriters' Association who agreed that the procedure outlined met their requirements and enclosed a form which they desired should be adopted by the Railways for general use. This information was forwarded through the Associated Chambers to the Railway Board who replied to the effect that they were unable to accept the form

proposed by the Underwriters' Association but recommended the acceptance by Railways of a form which gave the necessary certificate in a much more simple manner, for issue on demand. A copy of this reply was again referred to the Underwriters' Association who agreed with the recommendations of the Railway Board, and the Associated Chambers were advised accordingly.

The Chamber was subsequently informed that the certificate of damages and shortages as recommended by the Commercial Committee, had been approved by the railways, who had been asked to take necessary action in the matter.

The form of certificate as approved by the Railways will be found in the Appendix.

THROUGH BOOKING OF RAIL TRAFFIC BETWEEN INDIA AND CEYLON.

In May 1939 the Ceylon Trade Commissioner at Bombay requested the views of the Chamber on the subject of through booking of traffic by rail between India and Ceylon. Through booking of goods from and to Ceylon was only operative with the South Indian Railway and for certain classes of traffic with a few stations on the M. & S. M. and the Mysore Government Railways. Goods intended for stations other than these, viz., to North India had first to be booked to a station of the South Indian Railway and re-booked from there.

The Trade Commissioner stated that the question of extending the scope of through traffic between India and Ceylon was engaging his attention and in this connection he asked for an expression of the Chamber's views on the following points :—

1. Whether in the opinion of the members such extension was desirable.

2. Whether they considered that thereby there would be a larger flow of goods from India to Ceylon and *vice versa*.

3. Whether they would indicate the specific points on the M. & S. M. and/or other Indian Railways and the Ceylon Government Railway between which such traffic should be extended.

4. What would be the prospects of such traffic.

5. Whether such extension should be limited to particular classes of goods and if so what ? and

6. Whether any and what concessions in freight rates would be required in order to make through booking a success ?

As this question particularly concerned the Ceylon and the Southern India Chambers of Commerce, the Committee informed the Trade Commissioner that they did not regard themselves as competent to make any recommendations on the subject. They added that the majority of trade between Bombay and Ceylon arrived by the sea route and not by rail.

HAZARIBAGH TRAIN DISASTER ON THE EAST INDIAN RAILWAY.

In January 1939, the Associated Chambers of Commerce of India drew this Chamber's attention to a letter that had been received from the Upper India Chamber in connection with an enquiry which it was proposed to hold into the causes of the disaster which took place on the East Indian Railway at Chichaki, near Hazaribagh on the 12th January 1939.

The Upper India Chamber stated that it was understood from Press reports that a Committee of officials and non-officials would be appointed to enquire into the causes of the disaster and suggested that the Enquiry Committee should include amongst its number a non-official member representing Commerce and Industry.

The Upper India Chamber added that a suggestion to this effect would carry more weight if made through the Associated Chambers.

The Committee informed the Associated Chambers that they were entirely in accord with the proposal made by the Upper India Chamber of Commerce.

The suggestion was submitted by the Associated Chambers to the European Group at the Centre.

The Chamber was subsequently informed that the question of setting up a Committee to enquire into the circumstances of the disaster was engaging the attention of the Department of Communications, and the Chief Commissioner of Railways agreed that in the event of it being decided to set up a Committee, the suggestion put forward by the Upper India Chamber would receive consideration.

INDIAN RAILWAY ENQUIRY COMMITTEE REPORT, 1936.

(*See Reports* 1936, *page* 109 ; 1937, *page* 91.)

In January 1939 the Government of India, Railway Department, issued a second statement showing the action taken by that Department on the recommendations contained in Chapters III to XV of the Report of the Indian Railway Enquiry Committee, 1937.

The statement was placed at the disposal of all members.

TRAFFIC ADVISORY COMMITTEE.

Elimination of Horn Blowing in Certain Areas.

In May 1939 the Chamber's representative on the Traffic Advisory Committee forwarded to the Committee a programme drawn up by the Traffic Advisory Committee setting out the following points by which it was proposed to eliminate horn blowing in certain areas :—

1. Educating the public by loud speakers.

2. Advice on horn blowing and advising pedestrians to walk on footpaths.

3. Laying of pedestrian crossings, the use of which would automatically limit the use of horns.

4. Placing of advisory notice boards where excessive horn blowing was practised.

5. To extend silence zones to roundabouts; to increase area of existing 2 silence zones gradually, and finally when success was apparent to extend the time periods by degrees to such extent as would be suitable without causing danger to the public.

The Committee informed its representative that in regard to :—

1. *Educating the public by loud speakers.*—They doubted whether any great advantage would be gained by the existing system of a Police van patrolling the streets instructing drivers by loud speaker what they have to do or not to do. It was important that a driver should give his full attention to the driving of his car and loud speakers might be a dangerous distraction. Furthermore, in the case where a driver was in the wrong and it was pointed out by the Police through loud speakers, it was difficult for him to know that he was the person actually addressed. The Committee considered that the education of the public would be more effectively undertaken by the introduction of fast Police cars or motor cycles to patrol the thoroughfares and that they should stop drivers who were obviously in the wrong and explain the position to them. This method would not only enlighten them more clearly and fully than by the loud speaker method but would cause the offenders considerable embarrassment.

2. *Advice on horn blowing and advising pedestrians to walk on footpaths.*—The Committee were of opinion that this again should be attended to by the Police cars or motor cycles referred to in the foregoing paragraph. The question of advising pedestrians to walk on footpaths should be the duty of the Traffic Police.

3. *Laying of pedestrian crossings, the use of which would automatically limit the use of horns.*—The Committee agreed that the laying of pedestrian crossings would be of considerable advantage but they considered firstly that notices should be placed at the approach to these crossings advising drivers to slow down and secondly that they should be marked by metal studs which were preferable in

every way to the painting of white lines as they could be seen at a great distance by motorists and were far more durable.

4. *Placing of advisory notice boards where excessive horn blowing was practised.*—The Committee doubted whether much benefit would result by this suggestion. The only way to put a stop to excessive horn blowing was to pull up the driver and to warn him. In cases of warning being given by the Police, a record should be kept of the name and licence number of the driver and if it was found that he had been warned on several occasions, action should be taken by the Police.

5. *Silence zones.*—The Committee agreed that silence zones should be gradually extended and that no horns at all should be allowed between the hours of 11 p.m. and 7 a.m.

In addition to the foregoing remarks the Committee submitted to the Secretary to the Traffic Advisory Committee their views on the following matters affecting traffic problems of this city.

Unencumbered pavements.—The Committee regarded this question as a most important one. It would appear, however, that under the present conditions hawkers were permitted to make indiscriminate use of the pavements provided they obtained a licence from the Municipality. This was a position that should be remedied and it was essential therefore that there should be closer co-operation between the Municipality and the Police in this matter.

Traffic lights.—The Committee recommended that efficient and up-to-date traffic lights should be installed at all major junctions. The few traffic lights that existed at the moment were far from satisfactory, but before installation of a permanent system a thorough test should be made with both automatic and time-regulated lights. It was understood that both the Ahmedabad and Surat Municipalities had already installed a number of automatic traffic lights at their main cross roads.

Filtering traffic.—The Committee recommended that when traffic was held up at a crossing, all traffic should remain stationary and should not be allowed to filter to the left. Under present conditions the pedestrian never got a clear crossing and ran a certain danger therefrom.

Education of pedestrian to make use of special crossings.—The Traffic Police should be instructed to use every endeavour in this matter.

Parking.—The Committee considered that considerable nuisance was caused in Bombay by the parking of cars in unsuitable positions. They were of opinion that parking should not be allowed at all in narrow thoroughfares and that in all streets except ultra wide ones such as the Marine Parade, parking on one side only should be permitted. It was suggested that the Continental system might be adopted of allowing parking on either side of the road on alternate days. In addition, parking at tram or bus stops should be strictly prohibited and should not be allowed within 10 yards of a corner.

Bus stops.—The Committee suggested that there was considerable room for improvement in the position of many of the bus stops. Some were actually situated at corners which tended to hold up traffic.

Right of way.—All traffic approaching from the driver's right at junctions should have the right of way and this should be enforced by traffic police in cars or motor cycles.

Traffic lanes.—The Committee strongly recommended that all wide roads should be divided by white lines into traffic lanes.

The Secretary, Traffic Advisory Committee, replied to the effect that in regard to—

(*a*) *Unencumbered pavements*—The matter would be discussed with the Municipal Commissioner;

(*b*) *Traffic lights*—This was a question of funds. Government had been approached for the necessary allotment required for such traffic amenities. At the present time no funds were available to meet the cost of these requirements.

(c) *Filtering traffic.*—This would be considered at the next meeting of the Advisory Committee.

(d) *Education of pedestrians to make use of special crossings*—Endeavours would be made by the Police to educate pedestrians to this purpose.

(e) *Parking*—Thes tanding of a vehicle within 10 yards of an omnibus or tram stopping station was an offence under Rule 5-A of Section 22 (1) (c) of the B. C. P. Act IV of 1902 and this rule was being enforced. Steps were being taken from time to time to improve parking conditions where it was possible to do so.

(f) *Bus stops*—The Secretary of the Traffic Advisory Committee called for concrete instances of unsuitable positions of bus stops so as to enable steps to be taken to improve the positions.

(g) *Right of way*—Efforts were being made to enforce this regulation.

(h) *Traffic lanes*—This question would also be given consideration when funds were available.

TRAFFIC ADVISORY COMMITTEE.

Proposed Speed Limit for Motor Vehicles in Bombay City.

In April 1939 the Committee informed the Chamber's representative on the Traffic Advisory Committee that they had noted reports in the Press suggesting the introduction of a maximum speed limit in the City of Bombay of 35 miles per hour and requested him to support this proposal when it came before the Traffic Advisory Committee.

The Committee were opposed to a suggestion that certain special roads such as the Marine Drive, Hornby Vellard, Worli, etc., should be de-controlled.

On the 13th December 1939, a notification was published in the Press stating that the Government of Bombay had fixed in the City of Bombay, 35 miles per hour as the maximum speed limit for passenger vehicles, that was to say, vehicles constructed solely for the carriage of passengers and their effects, when all the wheels of such vehicles were fitted with pneumatic tyres and the vehicle was not drawing a trailer and such vehicle was a motor cycle, motor car, or motor cab.

TRAFFIC ADVISORY COMMITTEE.

Main Roads in Bombay.

In April 1939 the Chamber's representative on the Traffic Advisory Committee forwarded for the views of the Chamber a copy of a letter from the Secretary of the Traffic Advisory Committee in which it was stated that it was proposed to declare certain roads in Bombay City as main roads where traffic would have the right of way at all times over traffic emerging from minor roads.

In their reply the Committee stated that they were in favour of the proposition made by the Secretary to the Traffic Advisory Committee. They considered, however, that the suggested list of roads was far too extensive and that in the early stages this proposal should be confined to a few of the most important roads and that on all converging side roads efficient signs such as coloured discs should be displayed showing " Major road ahead—Halt."

Subsequently the following were declared as " Main Roads " by the Traffic Advisory Committee :—

Queens Road, New Queens Road, Hughes Road, Pedder Road and Chowpatty.

REDUCTION IN TRUNK TELEPHONE RATES.

In June 1939 the Native Share and Stock Brokers' Association in Bombay asked for the support of the Chamber to a representation submitted by them to the Director-General of Posts and Telegraphs, urging upon that Department a reduction in the existing charges for trunk telephone calls with a view to bringing them into conformity with the prevailing business conditions.

The comparative charges for three-minute telephone calls from Bombay to important business centres in India were as follows :—

To Calcutta	Rs.	10	0 0
Ahmedabad	„	3	6 0
Surat	„	2	2 0
Madras	„	7	0 0

To Karachi	..	..	Rs.	6 0 0
Delhi	..	..	„	7 14 0
Lahore	..	..	„	9 6 0
Allahabad	..	..	„	7 14 0

The Native Share and Stock Brokers' Association considered that the charges in the above schedule for telephonic communication were extremely heavy and constituted a deterrent to its free and ready use by the commercial community for business purposes. Prompt dissemination of market information, the necessity of keeping in close touch with fluctuations in prices which changed from moment to moment, the formation of instantaneous decisions without any delay, the transmission of orders for execution with the least possible loss of time, confirmation advices, and such like matters rendered it imperative for the brokers in Bombay and their constituents residing in different places in India to maintain direct and immediate contact with one another. The urgency of this was all the greater in the case of dealings between brokers in Bombay and brokers in Calcutta and Madras. Arbitrage operations on a large scale in Government securities and mutual interest in the different scrips traded on their respective floors bound these three markets together. Unfortunately the greatest impediment that had been encountered in binding these three units into a single composite one had been the high cost for the use of the telephone.

In supporting the Native Share and Stock Brokers' Association's protest the Committee informed the Director-General of Posts and Telegraphs that they were of opinion that a reduction in the charges for trunk telephone calls would obviously be welcomed by all business houses, and furthermore that it should be the policy of the postal authorities to foster the use of the telephone system by keeping the charges on as reasonable a scale as possible.

They were not aware, however, as to whether the trunk lines were normally being used to a maximum or

what was the amount of profit realised thereon, and to enable them to consider this question they requested the Director-General to supply them with the following information :—

(a) the average number of minutes per hour that the trunk lines were occupied from 8 a.m. to 8 p.m. daily ;

(b) the annual profit realised, attributable to the trunk telephone system.

In reply the Posts and Telegraphs Department stated that the information called for was not available as the figures of profit and loss were not kept separately for trunk calls.

However the Committee were able to gather from a protest submitted to the Posts and Telegraphs Department by another commercial association that the position of the Department had been improving since the year 1932 and in view of this, the Committee informed the Director-General of Posts and Telegraphs that they accorded their full support to the original representation made by the Native Share and Stock Brokers' Association and expressed a hope that an early revision of the existing scale of trunk telephone charges would be found possible.

The Director-General expressed his inability to consider a reduction in the rates, particularly in the existing war conditions, but stated his willingness to re-examine the question as soon as circumstances justified such a consideration.

After giving the matter further consideration the Committee informed the Director-General that they appreciated the reasons why the present was not regarded as a suitable time for the reduction of trunk telephone charges. They requested that a thorough examination might be immediately made of the possibility of increasing the efficiency of the use of trunk telephone lines in the hope that improved supervision and operation might result in a very much larger number of calls being carried on the existing equipment than were getting through at the moment.

They felt that considerable improvement might be accomplished in this way resulting in increased revenue from charges for telephone calls, reduction of complaints of inordinate delay and less need for curtailing the length of conversations over the trunk lines.

LIMITATION OF TELEPHONE CALLS.

In June 1939 a constituent Chamber addressed the Associated Chambers of Commerce of India on a recent Press announcement that the Posts and Telegraphs Department were proposing to limit the number of free calls from any one private telephone in India as a result of private subscribers letting the use of their instruments to the public for a fee of an anna or two per call. Alternatively, it was understood that a proposal was being considered to reduce the number of basic calls to 5 per day and charge a correspondingly smaller basic monthly subscription with a surcharge of one anna per additional call. A change had already been brought into effect in Delhi, where the basic number of calls permissible each day had been fixed at 20 calls beyond which the telephone would be automatically out of action for the day except at a special payment for each extra call.

It was appreciated that the smaller basic subscription with surcharge for calls was a system which had successfully been developed in Britain and the constituent Chamber in addressing the Associated Chambers stated that they were strongly of the opinion that if any alteration had to be made the alternative proposal was the one which commended itself to them as the most appropriate in the circumstances. Should the Department, however, definitely decide to make any general alteration, either by restriction of the basic number of calls daily or by the imposition of a call surcharge, the constituent Chamber considered that facilities should be provided by the Department for large organisations using more than one telephone to have any surcharge spread over all their connections on an average basis.

In reply to the Associated Chambers the Committee stated that they would prefer the system in operation to continue as at present. If, however, any alteration was to be made, they considered the best mode of charges would be a fixed rental and a charge for every call, that is to say, no free calls should be included in the rental.

BOMBAY TELEPHONE CHARGES.

In April 1939 the Bombay Telephone Co., Ltd., informed the Chamber that the Directors had decided after reviewing the results for the year 1938, that while they did not justify any reduction in the existing flat rate charges, they did justify the introduction of an alternative message rate scale of charges for residential lines, which it was proposed to introduce so soon as the necessary equipment could be installed.

The scale was—

Rental	.. ..	Rs. 8 per mensem.
Calls	.. ..	One anna each.
Installation Fee	..	Rs. 10.

USE OF LIFTS BY POSTMEN.

In August 1939 the Postmaster-General requested the Chamber to lend its support to an appeal which he had made to landlords that postmen should be allowed to use the lifts in delivering the daily mails.

The appeal was circulated to members.

WORKING HOURS OF THE POST OFFICE ON SUNDAYS AND HOLIDAYS.

In June 1939 the Chamber's attention was drawn by a member to the working hours of the Post Office on Sundays and Postal Holidays. The practice of the Postal Authorities on such days was to bring their sorting staff on duty about noon, so that the earliest that any mail could be delivered in the post boxes at the G.P.O. was about 1 p.m.

It was suggested that as all the mails arriving by train from up-country and the air mail via Poona reached Bombay early in the morning, it would be greatly to the advantage of the public if the sorting staff were brought on duty somewhat earlier so that whatever mail was received could be delivered or taken from the post boxes by about 10-30 a.m.

The Committee addressed the Postmaster-General, Bombay, in terms of the above suggestion and added that this would enable business houses whose offices might be partially open on postal holidays to deal with the correspondence received during the morning.

In reply the Postmaster-General stated that air mails and other mails received in the morning were sorted into their respective post boxes before 10-30 a.m. on Sundays and postal holidays. Window delivery through post boxes could therefore be obtained at about 10-30 a.m. on those days. Deliveries of mails received at the G.P.O. between the hours of 10 a.m. and 12 noon could be had through the post boxes at 12-30 p.m. as at present on Sundays and postal holidays.

The Postmaster-General added that as only one delivery through postmen was issued on Sundays and postal holidays, the existing hour, i.e., 12-30 p.m. could not be changed.

DELAYS IN ARRIVAL OF AIR MAILS.

In January 1939 in consequence of complaints received from members the Committee addressed the Postmaster-General, Bombay, in regard to the very considerable delay that had been taking place in the arrival of the air mail during the previous two months. The Committee pointed out that letters had in some cases taken from 11 to 14 days to reach Bombay from the United Kingdom, which was barely an improvement on sea mail timings. Furthermore, second class matter such as Christmas cards, etc., had been

delivered by air mail and a surcharge collected. They expressed a hope that this serious disorganisation had received the urgent attention of Government, and that an immediate improvement could be hoped for.

The Committee were of opinion that it would be of considerable assistance to the business community in this country if the departure and arrival times of all aeroplanes carrying mails were regularly published in the Press as it would be a very great convenience if it was known on what date mails had been actually delivered in England. The Committee also requested that the Postal Authorities would do their best to expedite the delivery of air mail in Bombay after its arrival at the post offices.

In his reply regarding the delays in the arrival of the air mails the Postmaster-General forwarded a copy of a letter addressed by the Director-General of Posts and Telegraphs to the Secretary of the Bengal Chamber, wherein it was mentioned that the air mails had become irregular from the 20th November 1938. As soon as the failure to receive mails was noticed the Posts and Telegraphs Department, New Delhi, sent a very strong telegraphic protest to the British Post Office. The British Post Office stated that due to the heavy load of Christmas mails for countries east of India and due to the want of adequate number of aeroplanes some irregularity in the services was inevitable but that efforts would be made to restore to India five services a week as soon as practicable. The Posts and Telegraphs Department, New Delhi, strongly protested against such an arrangement and declined to accept it. In the meantime an assurance was received that as from the 1st January 1939 arrangements would be made to ensure to India the scheduled five services a week.

The Director-General explained the position of the Indian Postal Administration in this matter. The responsibility of that administration for mails coming from a foreign country commenced only from the time such mails arrived in this country. The administration had not failed to make

proper arrangements for the forwarding of the incoming United Kingdom mails from Karachi to destinations in India with expedition and without delay.

With regard to Christmas and New Year cards coming by air being taxed, the Postmaster-General drew attention to the fact that under the Empire Air Mail scheme all first class mail had to travel by air. If the greetings cards complained of had not been put in closed covers and had been sent in open envelopes and marked " Printed Papers " they would have travelled by the surface route. Articles of the letter mail closed against inspection became automatically first class mail matter and as such there was no alternative to carrying them by the air service.

The Postmaster-General added that with regard to the delivery of air mails after their arrival at post offices in Bombay, this point had not been, and would not be neglected.

The Committee again took up the question of Christmas and New Year cards and informed the Postmaster-General that in the personal experience of members of the Committee second class mail in unsealed packets had been received by air mail and a surcharge demanded. As regards the conditions under which greetings cards might be sent by surface route, the Committee stated that they had been unable to trace the paragraph in the Post Office Directory which laid down the instruction to mark envelopes containing greetings cards as printed papers, and requested the Postmaster-General to confirm this point.

In conclusion, the Committee added that they felt that much of the excess mail which was inadvertently posted by air could have been diverted to the surface route provided publicity had been given to the question both in India and in England and they expressed the hope that ample publicity would be forthcoming in future years.

In February 1939 the Associated Chambers of Commerce of India forwarded for the views of the Chamber a copy of a letter addressed to the Association by the Upper

India Chamber on the same question. In their letter the Upper India Chamber stated that they felt that the circumstances of the irregularity in the air mail service should be brought to the notice of the various Chambers of Commerce in the United Kingdom with the request that they should take the matter up with the authorities concerned in the United Kingdom.

The Associated Chambers informed constituent Chambers that subject to any remarks which the constituent Chambers might submit, it was proposed to act upon the Upper India Chamber's suggestion by addressing (*a*) the India Section of the London Chamber of Commerce, (*b*) the Federation of Chambers of Commerce of the British Empire. In addressing the Federation, the Associated Chambers proposed also to act on the lines of a suggestion made by the Burma Chamber of Commerce that this question of the irregularities in the air mails to India and Burma might form a subject for inclusion in the agenda of the Fifteenth Congress of the Federation which would take place in London from the 17th to the 21st July 1939.

The Committee informed the Associated Chambers that the action proposed met with their full approval. They suggested, however, that attention should be concentrated on providing against a repetition of these delays in the future. In this connection the Committee added that in the case of Bombay the congestion was partially due to the inclusion of second class mail matter, such as Christmas cards, in the Air Mail, which was caused by insufficient publicity as to the correct method of posting both in India and in the United Kingdom. It appeared that by the English Post Office Rules, the words "printed papers" had to be inscribed on the envelope, while no such rule applied in India. They urged, therefore, that the Postal authorities should take steps to give much fuller publicity to the rules regarding posting in the future.

In June 1939 the attention of the Chamber was drawn to a letter that had been addressed to the Associated

Chambers by a constituent Chamber regarding the continued delay in the arrival of air mails from England. The Association stated that they had already taken steps to bring the position of these delays to the notice of the East India Section of the London Chamber of Commerce, the Federation of Chambers of Commerce of the British Empire and, subsequently, the Manchester Chamber of Commerce for such action as these organisations might find it possible to take with a view to ensuring greater punctuality in the arrival of the mails. Acknowledgments had since been received stating that the matter was receiving attention. The Federation of Chambers of Commerce in a letter of the 2nd June 1939 stated that they were in communication with the Post Office on the subject and that they would report again as soon as they were in a position to do so. In their reply of the 16th March, the East India Section of the London Chamber of Commerce advised that the Posts and Telegraphs Committee of the Chamber had the question before them; the Manchester Chamber similarly stated in a letter dated the 14th of March 1939 that the correspondence was receiving the attention of the India Section. Under these circumstances the Committee informed the Associated Chambers that while they agreed that the service was still far from satisfactory they did not think that anything was to be gained by further action pending replies from the various Chambers of Commerce to whom the matter had been referred. The Committee understood that Imperial Airways intended taking delivery of additional flying boats and landplanes and it was hoped that a marked improvement in the service would occur in the near future. They agreed, however, that if no improvement took place during the ensuing few months further representations should be made.

AIR MAIL TIMINGS.

(*See Report* 1938, *page* 118.)

In March 1939 the Chamber's attention was drawn by a member to a notification in the Press publishing Imperial

Airways' Summer Schedule whereby Bombay would receive three air mail deliveries a week against the former five deliveries. According to the Schedule the eastbound flying boat services would arrive at Karachi on Saturdays, Mondays and Tuesdays and the two landplanes on Saturdays and Mondays. Mails by the connecting planes would therefore be delivered in Bombay on Mondays (A.M.), Tuesdays (P.M.), and Wednesdays (P.M.).

The Committee addressed the Director-General of Posts and Telegraphs, New Delhi, and pointed out that the effect of such a Schedule would be that Bombay would receive three mails at the early part of the week against five deliveries at the moment on Sundays, Mondays, Tuesdays, Wednesdays and Thursdays. The benefit of a five-plane service would therefore be nullified as far as India was concerned.

The Committee added that the unsatisfactory position of air mail timings was brought to the notice of the Postmaster-General, Bombay, by this Chamber in May 1938 and in his reply the Postmaster-General suggested that the inconvenience suffered by the Bombay merchants at that time would disappear or materially lessen when the full air mail scheme of five services a week came into operation. It was therefore hoped that the Director-General would take such steps as were possible to ensure that Bombay business interests would receive five air mails a week at appropriate intervals.

Subsequently the Director-General of Posts and Telegraphs informed the Chamber that Imperial Airways had intended to operate their eastbound services in summer according to the schedule announced in the Press, but as a result of the protest made by the Indian Posts and Telegraphs Department the proposed schedule had been revised. Under the schedule that had been finally settled for the ensuing summer, India would get her 5 services on five days of the week. The seaplanes were scheduled to arrive at Karachi on Tuesdays, Fridays and Mondays, and the landplanes on

Thursdays and Sundays. Bombay would accordingly get 5 services on Wednesday, Friday, Saturday, Monday and Tuesday and the mails from the West would arrive at Bombay spread over the working days.

EMPIRE AIR MAIL SCHEME.

In July 1939 the Chamber was asked by a member to express its opinion as to whether in its view India most favoured a speeding up of the Air Mail service or the achievement of a regular service. The Committee's opinion on this matter was that the achievement of regularity in service was of paramount importance and should be the first consideration. They, however, expressed a hope that when this regularity was obtained it might be found possible to speed up the time taken by the air mail service.

The Committee added that Imperial Airways would be well advised in extending their publicity and taking the public more fully into their confidence regarding delays, etc., which they thought would tend further to popularise their air service.

MAILS TO THE UNITED KINGDOM.

In September 1939 the President of the Chamber addressed the Postmaster-General, Bombay, in connection with the despatch of mails for the United Kingdom. In view of the disorganisation of the P. & O. service as a result of a number of their ships having been requisitioned by Government and on account of the uncertainty of their sailings, the Chamber was of opinion that full advantage should be taken of any British tonnage sailing for United Kingdom ports, as otherwise considerable delay would result in the despatch of these mails and large quantities would be shipped in one lot, causing considerable inconvenience to the business community. The President therefore suggested that mails should be despatched by British tonnage as and when opportunity offered and that they should not be held over for despatch by P. & O. vessels only.

The Postmaster-General in reply stated that the Indian Posts and Telegraphs Department had consulted the British Post Office who stated that the P. & O. Steam Navigation Co., were endeavouring to resume their weekly services to and from Bombay. In view of this and the fact that Transports had been leaving Bombay off and on and had been used for the conveyance of mails, it did not seem necessary to make arrangements for the despatch of sea mails from Bombay by ships other than those of the P. & O. Steam Navigation Co.

The Chamber was subsequently informed that the Associated Chambers had addressed the Director-General of Posts and Telegraphs, New Delhi, in the matter.

AIR MAIL TO THE UNITED KINGDOM.

Desirability of a Reduction in Postage Rates.

In October 1939 the Associated Chambers of Commerce of India addressed the Director-General of Posts and Telegraphs, New Delhi, with regard to the existing high rates for air mail postage to the United Kingdom, introduced shortly after the outbreak of war, and requested that consideration might be given to reducing them to a more reasonable level. In the case of letters the rate was 14 annas per half ounce as compared with the pre-war rate of 2½ annas ; and in the case of post cards 6 annas against the previous rate of 2 annas.

The reasons for the imposition of the additional charge, immediately on the outbreak of hostilities, were fully appreciated as were also the difficulties attendant upon the maintenance of a regular air mail service under war conditions. But if any service was possible its frequency appeared to be a matter dependent largely on the availability of planes ; and as it was learned that an increase in the service to three per week was contemplated, the Associated Chambers felt justified in requesting that consideration be given to the question of rates. It would appear that in view of the continued demand for rapid communication and the

use being made of the available air mail service the rates could bear some reduction—possibly to the level of the charge of 8 annas made prior to the introduction of the "all-up" scheme; with a corresponding reduction in the existing rates to non-participating neutral countries.

CARRIAGE OF PASSENGERS BY AIR BETWEEN INDIA AND BURMA.

In January 1939 the Associated Chambers of Commerce of India asked for the views of this Chamber on a letter which the Burma Chamber had addressed to the Government of Burma concerning the carriage of passengers by air between India and Burma.

The Burma Chamber pointed out that intending travellers by air between Rangoon and Calcutta experienced great difficulties at the end of December 1938 owing to the inability of Indian Trans-continental Airways Ltd. to accept passenger traffic, and to the prohibition which then existed against the carriage of passengers between Burma and India by the K.L.M. This prohibition had been temporarily relaxed, but would again come into force, it was understood, on the 8th January 1939.

The Burma Chamber of Commerce therefore suggested that a permanent arrangement should be made whereby, when at any time Imperial Airways were unable to give accommodation to intending passengers between Rangoon and Calcutta, such passengers should be able to travel by the K.L.M. service. The Burma Chamber recognised that Imperial Airways, in their special position as mail carriers, were entitled to a preferred position as regards passenger traffic, but it was also necessary to give some consideration to the convenience of passengers, and when Imperial Airways could not accommodate a passenger, the Chamber considered that he should be free to use any alternative air line that might be passing through Burma.

The Committee informed the Associated Chambers that they supported the recommendation of the Burma Chamber, but considered that its scope should be extended to include other lines, such as "Air France" and in fact any regular air mail service.

The Associated Chambers accordingly addressed the Government of India, Department of Communications, on the subject, and a reply was received to the effect that the Government of India had granted general permission to the foreign air services operating across India to carry passengers and goods from India to Burma and between points in India subject to the following conditions :—

(*a*) all bookings should be made through Indian National Airways Ltd., who were the principal booking agents of Imperial Airways Ltd.

(*b*) Indian National Airways might book a passenger or goods by a foreign air service only when there was no accommodation by Imperial Airways Ltd.

(*c*) The arrangement would be in force up to the 30th April 1940 after which date it would be reviewed.

IMPERIAL SHIPPING COMMITTEE.

REPORT ON BRITISH SHIPPING IN THE EAST.

(*See Report* 1937, *page* 171.)

In June 1939 the Chamber was requested by the Government of India for an expression of opinion on the report of the Imperial Shipping Committee on British Shipping in the Orient.

The main theme of the evidence placed before that Committee was the uphill struggle which Empire Shipping had been conducting unaided against subsidised Japanese Shipping between Japan and British Empire Ports. Gradually Empire Shipping had had to relinquish more and more of the trades which were originated and built up by their farsightedness and enterprise. These

pioneers were being ousted not by straight-forward methods but by Government subsidies and the co-operation largely at Government's insistence between Japanese Bankers, Exporters, Importers and Insurance Companies to assist their national Mercantile Marine. The Report recognised the perilous predicament in which Empire Shipping was placed and the impossibility of Empire Shipping being able alone to resist successfully the increasing growth at their expense of subsidised Japanese tonnage but the difficulty was to determine the way in which the required assistance should be given.

In addressing the Government of India on the subject the Committee confined their views to that portion of the Report which referred to Indian trade but in the first instance they made it clear that there was no lack of co-operation between Empire Shipowners in the Orient and any rivalry if it did exist was of a healthy and friendly nature. Outwardly there would also appear to be fair working arrangements with Japanese shipping but the latter's insidious methods resulted in their gaining more and more of the trade. The Japanese commercial structure whereby the foreign trade of the country was in the hands of three groups (Mitsubishi, Sumitomo and Mitsui) of merchants facilitated mutual aid in diverse forms, whereas, Empire owners, shippers, bankers, etc., worked independently of one another which if universal would undoubtedly be the ideal basis of trade.

The best example of the success of the Japanese tactics was probably the Bombay/Japanese trade. Although a British Line inaugurated and at one time catered entirely for this growing trade it had at the moment only a small share which it had difficulty in retaining against the assaults of the Japanese, whilst the low rates of freight which it was compelled to accept made even that small share unprofitable. The rates of freight from Bombay were fixed by the cotton importing organisation in Japan in agreement with the leading Japanese Line but not only were rates to Japan decided upon in this way but similar methods

were applied to the rates to Shanghai. The position, therefore, was that the Japanese controlled the rates between two non-Japanese ports.

An indirect consequence of this control which was not brought out in the Report was that the low rates which all Lines were forced to accept enabled the Japanese to obtain their raw cotton cheaper than they should and thus they were better able to compete with Indian manufactured goods not only in India itself but also in adjacent markets.

Between Calcutta and Japan the position was not so one-sided but here again the Empire Lines were struggling against Japanese subsidised shipping and Japanese trading methods. A reasonable pooling arrangement of 50 per cent. to the Japanese had been suggested even although the trade included shipments between Empire Ports but the Japanese would not agree. The British ships on this service were fairly modern and well suited for this trade.

Whilst Indian and British merchants were showing a greater realisation of the desirability of supporting Empire shipping there was still room for further co-operation. But the greatest assistance could be given by the Government of India by insisting on the Empire Lines receiving a fair share of the trade. The greater the control the Japanese could exercise on the shipping between the two countries the stronger position they were in to support their own importers and exporters against Indian competitors.

Much prominence had been given to the reference in para. 340 of the Report to the necessity of co-operation between Indian and United Kingdom shipowners. This had largely been due to a partial knowledge of the real situation. Although Indian shipowners had not participated in the Foreign trade of the country to any large extent they had been able to build up their coastal trade through the helpful co-operation of United Kingdom shipping with the result that in the last 12 years the tonnage of the largest Indian Shipping Company had increased by 200 per cent.

Regarding Empire Coastal Reservation this would not in the Chamber's view be effective for reasons stated in paras. 347 to 350 of the Report.

Empire Coastal reservation would, however, be a disadvantage to foreign shipping, e.g., Hongkong to the Straits or the Straits to India, or Ceylon to Bombay. But this was a step which would require the most careful consideration in many aspects, Trade Treaties presumably and the Maritime Ports Convention, and would cause repercussions which would react adversely to British Shipping owing to counter-action by foreign Governments.

In para. 368 of the Report the very sound suggestion was made that some form of organization should be appointed by the British Commonwealth of Governments to watch over British Empire Shipping in the East. The Committee recommended that this proposal should receive consideration as early as possible.

There was one further point which called for elucidation, the devolution of management. In the Bombay/Japan trade the P. & O. Company's cargo vessels which plied between Bombay and the Far East were managed by the Company's Agents in Bombay who had wide authority in the running of these vessels, whilst the British India Company which was interested in the Calcutta/Japan trade was managed entirely by its Managing Agents in Calcutta and only broad questions of policy were required to be referred to the Home Board. The other Empire Company sharing in the Calcutta/Japan trade was the Indo-China S. N. Co., which was largely controlled from Hongkong.

LETTERS OF GUARANTEE COVERING IMPORT CARGO.

(*See Report* 1936, *page* 175.)

Owing to the outbreak of the war and to the irregularity and late arrival of both sea and air mails, negotiable

instruments such as bills of lading were often not reaching consigneess until after the arrival of steamers carrying the relative goods with the result that importers were being put to a great deal of inconvenience. This raised again the question regarding the issue of Letters of Guarantee by banks to steamship companies for an unlimited amount to secure the release of goods pending the arrival of bills of lading.

It will be recalled that prior to the 1st of July 1936 the Exchange Banks were prepared to countersign unlimited guarantees for their customers in connection with irregular bills of lading or in cases where the documents were not to hand by the date of the arrival of the steamer thereby enabling the importers to obtain delivery of their goods. After the above date the Banks on instructions from their London Offices refused to give unlimited guarantees but only guarantees to the extent of double the amount of the invoice value of the goods. The steamship companies on the other hand declined to give deliveries of consignments against such limited guarantees.

In September 1939, the Exchange Banks Association addressed all steamer agents in Bombay offering, under the special circumstances, to give guarantees of up to four times the value of the goods concerned. The agents of the shipping companies regretted that they were not prepared to modify their requirements as previously stated. It was realised that a facility of this nature was more necessary in Bombay that in other ports as steamers from the United Kingdom arrived earlier in Bombay and in consequence, there was more likelihood of bills of lading arriving late. After referring this matter to the Import Sub-Committee the Committee decided that it would be best to address the London Chamber of Commerce on the above lines for any assistance they might be able to afford as any modification of procedure must rest with the decision of the head offices of the shipping companies and British banking interests in the United Kingdom.

The reply received from the London Chamber led the Committee to believe that an early solution could not be expected. They understood, however, that the position regarding unlimited guarantees had, in the meantime, become less acute.

INDIAN MERCHANT SHIPPING (AMENDMENT) BILLS.

Towards the end of November 1938 the European Group in the Central Legislature forwarded for the views of the Chamber a Bill further to amend the Indian Merchant Shipping Act, 1923.

The object of the Bill was to amend section 62 so as to legalise the payment of contributions by seamen of their wages to any approved provident or pension fund.

The Committee accorded their support to the Bill.

The Bill was introduced in the Legislative Assembly on 15th November 1938 and was passed in February 1939. It received the assent of the Governor General on the 17th February 1939 (Act VI of 1939).

The Chamber subsequently received a copy of a further Bill known as the Indian Merchant Shipping (Second Amendment) Bill 1939, which was introduced in the Legislative Assembly on the 13th February 1939. In the statement of objects and reasons it was mentioned that clause (3) of section 149 of the Indian Merchant Shipping Act, 1923, expressly excluded from the definition of a pilgrim a child under one year of age and further empowered the Central Government to direct, by notification, that two persons of the age of one year or upwards and under the age of twelve years should be reckoned as one pilgrim. Children under one year of age were not therefore taken into account for the purpose of computation of pilgrims to be carried on a pilgrim ship and were not allotted any space. This law was in conflict with the provisions of Article 100 of the International Sanitary Convention of 1926 under

which provision was to be made in pilgrim ships in respect of each person irrespective of age for an area of 1.50 square metres, equivalent to 16 square feet, in the between decks and above the space reserved for the crew. Carriage of more pilgrims than the authorised number was punishable with fine under Article 157 of the Convention. The Government of Saudi Arabia gave Article 100 the force of law. For this reason, and in view of the fact that the Central Government had accepted the implications of the Convention and, in other respects, complied with its provisions, they had, after consultation with the Standing Haj Committee of the Indian Legislature, come to the conclusion that it was desirable that the Indian Merchant Shipping Act, 1923, should be amended so as to bring it into line with Article 100. The Bill was designed to carry out the requisite amendments.

The Committee saw no objection to the Bill which was passed by the Legislative Assembly and received the assent of the Governor General on the 28th March 1939 (Act X of 1939).

INDIAN MERCHANT SHIPPING ACT 1923 : SECTION 86(1).

RATES OF COMPENSATION PAYABLE TO SEAMEN FOR SHORT OR BAD PROVISIONS.

In March 1939 the Chamber was consulted by the Shipping Master, Bombay on a proposal which the Government of India had under consideration to amend Section 86(1) of the Indian Merchant Shipping Act, 1923, with a view to raising the amounts of compensation to be paid to Indian seamen. This section dealt with the rates of compensation admissible to seamen in respect of short or bad provisions supplied to them and it contained two different sets of rates one for Indian seamen and the other for European seamen or other persons shipped on the same footing as European seamen, the rates for the latter being higher than those for Indian seamen. The object of the

amendment was to remove the existing distinction between European and Indian seamen in regard to the rates of compensation payable in respect of short or bad provisions supplied to them. It was proposed therefore that a single set of rates should be fixed approximately equivalent to those laid down in the English Merchant Shipping Act of 1894.

After obtaining the views of shipping members of the Chamber the Committee informed the Shipping Master that they supported the proposed amendment.

BILL TO CONTROL THE COASTAL TRAFFIC OF INDIA.

(*See Report* 1927, *Vol. I page* 167 ; 1928, *Vol. I page* 202 ; 1929, *Vol. I pages* 74 *and* 75 ; 1930, *Vol. I page* 57 ; 1936, *page* 181 ; 1938, *page* 120.)

It was recorded in the Chamber's Report for 1938 that the Committee had addressed the Government of Bombay on Sir Abdul Halim Ghuznavi's Bill to control the Coastal Traffic of India.

In March 1939 the Government of India published a Bill introduced by Mr. S. V. Chetty which had the same intention as the 1938 Bill.

After referring the Bill to a Special Sub-Committee the Committee addressed the Government of India, Department of Communications, and stated that the primary object of the Bill as set out in the statement of objects and reasons was to control unfair competition in coastal traffic in order to encourage the development of an Indian mercantile marine.

Under the Bill it was proposed that the Central Government should be empowered to control rate-cutting and rebates in any form by imposing minimum rates and in case of contravention to inflict a fine which might extend to Rs. 10,000. It also gave power to impose the penalty of refusal of entry of any ship into any Port.

The Committee stated that they had already expressed their views to the Government of Bombay on a similar Bill in December 1936 and desired to reiterate their opinion that this Bill both as regards its premises and its provisions was economically unsound.

It was pointed out that the Bill did not attempt to define the words " unfair competition " and the very nature of this competition was incapable of definition. If, however, by unfair competition was meant rate-cutting, it should be borne in mind that the reduction of freight rates was frequently necessary to meet the demands and requirements of the individual trade and might be governed by extraneous circumstances primarily those of supply and demand.

The abandonment of the competitive system must discourage the spirit of initiative and the proposal to fix minimum rates of fare and freight by law would remove equally from all shipping companies the means of competing with potential new companies, which might be formed if the Bill became law, in order to force their way into the coastal trade of India.

The companies that at the moment held this trade both Indian and non-Indian, had obtained it by dint of industry and foresight, and the Committee regarded it as manifestly unfair to prevent these companies by law from utilising the only weapons of defence which they possessed, that of reducing rates or granting rebates.

The regulation regarding the prevention of rate-cutting as set out in the Bill were, in the Committee's view, impractical in operation because of the impossibility of controlling secret concessions or, secret rebates, proof of which it was quite impossible to obtain, as the forms that the secret concessions or secret rebates could assume might be many and varied.

The Committee added that, should it be possible to maintain a minimum rate, it might enable new companies to start and endeavour to take a share of the existing trade,

but under the assumption that existing services were at present adequate, a dilution of the available trade would take place which would inevitably react to the detriment of all concerned but more specifically to the newly formed shipping companies.

Furthermore, the attempt in Clause 1(2) to extend the application of the Act to the continent of India was likely to disturb the relations between British India and the sovereign maritime States and the foreign possessions on the coast of India.

The Bill, if it became law, would create an uneconomic situation and would interfere with the present smooth working of the coastal trade which would react not only against the shipping companies but also against merchants, besides being in practice entirely unworkable.

Without competition business could not thrive and the Committee saw no legitimate reason why the shipping industry or any other industry should come under the control of Government to such an extent as to prevent existing companies from taking all reasonable means in their power to protect the business that they had built up.

Up to the time of writing this Report the Bill had not come up for consideration by the Legislative Assembly owing possibly to the fact that the prior bill of Sir Abdul Halim Ghuznavi had not been disposed of.

BOMBAY MINOR PORTS COMMITTEE'S REPORT.

Road from Dhollera to the Sea.

(*See Report* 1937, *pages* 128 *and* 172.)

It was recorded in the Chamber's Report for 1937 that the Government of Bombay proposed to obtain sanction of the Government of India to the allocation of Rs. 2¼ lakhs from the reserve of the Petrol Tax Fund for the purpose of constructing a road from Dhollera to the Sea.

While the Committee were by no means opposed to the construction of a port for Dhollera if it was found that the proposition was a practical one, they considered that the Government of Bombay should not embark on the construction of the proposed road until they had fully explored the possibilities of developing the port.

In February 1939 the Chamber's representative on the Board of Communications forwarded to the Chamber a statement of expenditure on works financed from the Central Road Fund for the half-year ended 30th September 1938, and drew attention to item No. 25 which shewed that a sum of Rs. 88,950 had already been spent on the road from Dhollera Town to the new Dhollera Port up to September 1938 and it was estimated that a further Rs. 81,050 would be spent on this road during the latter half of the current financial year.

The Committee accordingly addressed the Secretary, Board of Communications and pointed out that the Chamber had expressed the view to the Revenue Department of Government in a letter dated the 17th December 1937, that the expense of building this road should not be undertaken until the findings of the Government Committee appointed to examine the question of minor ports and especially the port at Dhollera were published. Furthermore the Committee stated that they had been informed that after the report had been printed Government would consult the Chamber officially before taking action. As this report was not yet to hand they were unaware of its contents, and suggested that any further expenditure from the Central Road Fund should be delayed until this report had received due examination.

In April 1939 the Chamber received a copy of the report of the Bombay Minor Ports Committee and after due consideration the Committee informed the Secretary, Bombay Board of Communications, that they reiterated their views that there was no justification whatsoever for

further expenditure either in connection with the Port at Dhollera or the proposed road thereto. They considered that it would be unsafe for ocean-going vessels to use this port until such time as a complete survey had been made and its approaches adequately marked. In the meantime Dhollera could only be used by country craft and by very small coasting vessels and it was more than doubtful if, by developing Dhollera, trade would be diverted from the railways or from the ports of Bhavnagar and Navalakhi, which already served these districts, in sufficient quantity to justify the development of the port.

The Committee particularly drew the attention of Government to the statement of the Minor Ports Committee in Chapter V(*c*) that "development of a number of small ports close to each other for inter-provincial and international trade is to be deprecated both on economic and administrative grounds." The port of Dhollera was some 13 miles by sea from the old country craft port of that name and apparently this change in position had occurred owing to the shifting of the estuary of the Sabarmati river. There was always the possibility that this river might revert to its old channel, as it was known to have shifted its course on several occasions in the past. If this happened any capital expenditure incurred in development would be entirely lost.

LIGHT DUES.

(*See Report for* 1938, *page* 124.)

The following notification No. 325-M II (1)/39 dated New Delhi, 11th February 1939, issued by the Government of India, Department of Commerce, is reproduced for the information of members:—

"In exercise of the powers conferred by sub-section (1) of Section 10 of the Indian Lighthouse Act, 1927 (XVII of 1927), and in supersession of the Notification of the Government of India in the Department of Commerce, No. 325-M. II(3)/37, dated the 30th April

1938, the Central Government is pleased to prescribe that light dues shall be payable at the rate specified below, namely :—

(*a*)	All ships, other than sailing ships, arriving at, or departing from, any port in British India	One anna per ton.
(*b*)	Sailing ships	Six pies per ton."

WAR CLAUSE IN SHIPPING ORDERS.

At a Conference of Shipowners and others concerned held in London in December 1935, it was agreed that the following clause should be inserted in all shipping orders issued by the steamship agents in India at the time forward engagements of freight were made.

"The Shipowners shall be at liberty to cancel or suspend their obligations under this Shipping Order if the imminence or existence of any war (whether Great Britain is a belligerent or not) the imposition of sanctions or the taking by any Government of measures under the Covenant of the League of Nations renders it unsafe or impracticable for the Shipowners to fulfil the said obligations. If the Shipowners elect to suspend their obligations the shippers shall be at liberty to cancel this Shipping Order as regards all suspended deliveries thereunder."

In September 1939 the Chamber received a joint letter from several members requesting that the Chamber should take up with shipowners agents the terms of a circular issued early in that month by the agents of British lines in Bombay informing shippers that all forward contracts were cancelled in virtue of the rights granted to the shipowners by the abovementioned War Clause and that henceforth freight would be prepayable.

It was contended that :—

1. Shipowners could not repudiate their obligation unless they had no steamer sailings from the port of shipment to the ports of discharge during the period mentioned in the Shipping Order, and

2. Where such steamers were available previous engagements should be given preference *pro rata* of the space available.

3. Whilst Shipowners could ask for freight to be prepaid on new engagements, their right to do so on previous engagements which were made on the understanding that freight would be payable on arrival of the steamer at destination was questionable.

The Committee were of opinion that the shippers interested should take up the matter direct with the shipowners' representatives in Bombay, as they felt that the Chamber, representing various interests, was not in a position to intervene.

MUNICIPAL ELECTIONS.

Public Holiday.

In December 1938 the Municipal Commissioner forwarded for the opinion of the Chamber a copy of Corporation Resolution No. 792 of 8th December 1938 requesting Government to declare the polling day for the General Municipal Elections which had been fixed on the 7th February 1939 as a public holiday for the City of Bombay.

The Committee informed the Municipal Commissioner that they were in agreement that a public holiday should be declared on the 7th February.

According to Government of Bombay, Political and Services Department Notification No. P. 13-III dated 5th January 1939 the Governor was pleased to authorise the closing of all public offices in the City of Bombay on the 7th February 1939, but this did not constitute a public holiday under the Negotiable Instruments Act.

BILL TO AMEND THE CITY OF BOMBAY MUNICIPAL ACT, 1888.

Town Duties.

(*See Reports* 1936, *page* 192 ; 1937, *page* 181.)

In October 1939 a Special Sub-Committee consisting of the following gentlemen was formed to consider a Bill to amend Schedule H of the City of Bombay Municipal Act :—Messrs. R. W. Bullock, J. M. B. Gibbons, W. T. Lane, K. M. Madan, E. L. C. Gwilt, G. A. D. Porter, D.R.C. Hartley, and H. W. Smith. The proposals comprised (1) revision of the rates of duty and (2) the addition of

several items to the Schedule. The Municipality hoped to derive an annual income of about Rs. 15 lakhs from the proposed revision if the duties were levied at the maximum rates.

The new items included in the Schedule were :—

Plywood, tea, coal, dates dry, dates wet, cement, iron and steel, paper and tinned provisions.

In 1937 the Chamber raised strong objections to town duties as a basis of taxation at all. In 1938 these views were reiterated. It was considered that such increase of revenue as was required by the Municipality should be raised by an increase in the level of the general tax which was the most equitable form of municipal taxation in so far as it fell on property to which all citizens, both landlords and tenants, contributed in varying degree.

The Sub-Committee considered that the Bill should be strongly opposed and the Chamber's representative in the Assembly was requested to do so on general principles and in detail.

It was subsequently learnt that the Bill had been dropped.

BOMBAY MUNICIPAL BUILDING REGULATIONS AND BY-LAWS.

Draft Amendments.

In August 1939 the Bombay Municipality forwarded for the views of the Chamber certain draft amendments to the proposed building regulations and by-laws. While this step was widely appreciated, the Committee were of opinion that the subject could be dealt with more satisfactorily by the Joint Town Planning Committee on which the Chamber was represented by Mr. J. B. Greaves. The Town Planning Committee arranged to keep the Chamber advised of any suggestions that they might decide to put before the Municipality.

EMPLOYMENT OF CHILDREN ACT.

(*See Report* 1938, *page* 150.)

It was recorded in the Chamber's Report for 1938 that a Bill to regulate the admission of children to certain industrial employments was introduced in the Legislative Assembly in August 1938. The Committee at that time informed the European Group that they considered that the Bill should be given full support. This Bill was duly passed by the Central Legislature (Act XXVI of 1938).

In February 1938 a Bill to amend the Act of 1938 was published. This amending Bill was intended to prohibit the employment of children under 12 years of age on premises carrying on the following occupations—(*a*) *bidi* making, (*b*) carpet weaving, (*c*) cement manufacture, including bagging of cement, (*d*) cloth printing, dyeing and weaving, (*e*) manufacture of matches, explosives and fireworks, (*f*) mica-cutting and splitting, (*g*) shellac manufacture, (*h*) soap manufacture, (*i*) tanning, (*j*) wool cleaning.

After referring the Bill to the Labour Sub-Committee, the Committee informed the European Group, Indian Central Legislature, that they were in favour of offering their support.

The Bill was passed by both Houses and received the assent of the Governor-General on the 8th April 1939.

Under the provisions of the Act which came into force from the 1st October 1939 :—

(*a*) No child under 12 years of age should be employed in any of the abovementioned premises.

(*b*) The occupant of every such workshop was required to give before commencement of work to the Inspector of the area a written notice containing the following information :—

The name and situation of the workshop.

The name of the person in actual management of the workshop.

The address to which communications relating to the workshop should be sent.

The nature of the processes to be carried on in the workshop.

Breaches of the Act were punishable with fines extending to Rs. 500.

BOMBAY SHOPS AND ESTABLISHMENTS ACT.

(*See Report* 1938, *page* 148.)

It was recorded in the Report for 1938, that the Chamber offered criticisms on a draft Bill to regulate the hours of work of shop assistants and commercial employees and for certain other purposes.

An amended Bill with the same objects in view was published in January 1939.

The matter was referred to a Special Sub-Committee who in reporting on this measure stated that the terms thereof had been influenced by many of the Chamber's earlier recommendations. The suggestion that commercial establishments should be excluded from the terms of the Bill had not however been accepted, but the main objection had been removed by the institution of a 220-hour working month instead of a 9-hour day originally proposed. Furthermore, an additional period of 120 hours was permitted during the course of a calendar year. This ruling the Sub-Committee considered sufficiently safeguarded the interests of commercial establishments. The Sub-Committee therefore expressed satisfaction with the main provisions of the new Bill, but thought that Government's attention should be drawn to the difficulty of organising efficient inspection and the consequent danger of the Bill becoming law and through not being wholeheartedly applied falling into contempt.

With the foregoing recommendations the Sub-Committee offered criticisms on certain clauses of the Bill.

The Committee adopted the report of the Special Sub-Committee with the exception of their recommendations in regard to Section 4 (*b*) where the Committee considered it inadvisable to include " motor drivers " as persons whose work was inherently intermittent to whom the Bill was not applicable. It was understood that drivers of private

motor cars were considered as domestic servants and were therefore not included under the Bill.

These views were submitted to the European Group, Bombay Provincial Legislature.

The Bill was referred to a Select Committee whose report was published in August 1939. This report was not altogether in conformity with the recommendations submitted by the Chamber but when the Bill came up for consideration before the Assembly in October 1939 the European Group succeeded in getting an amendment accepted which extended from 60 to 120 hours the period of overtime which might be worked in shops.

The Bill received the assent of the Governor on the 1st November 1939.

Under this office Circular No. 3077/181 of the 17th November 1939 the attention of members was drawn to the following section of the Act :—

"*Chapter III—Section* 11. *Monthly and daily hours of work in a Commercial Establishment.*

(1) Subject to the provisions of sub-section (2), no person employed in any commercial establishment shall be required or allowed to work in such establishment for more than two hundred and eight hours in a month :

Provided that any such person may be allowed to work in such establishment for more than two hundred and eight hours in any month during stock-taking, making of accounts, settlement or other prescribed occasions :

Provided further that the total number of hours for which such person is allowed to work in excess of the maximum number of hours prescribed for every month under this section does not exceed one hundred and twenty in any calendar year.

(2) No person employed in any commercial establishment shall be required or allowed to work in such establishment for more than seven hours in any day unless he has had an interval for rest of at least one hour :

Provided that no person so employed shall be required or allowed to work in such establishment for more than four and a half hours in any day unless he has had an interval for rest of at least half an hour."

BOMBAY INDUSTRIAL DISPUTES ACT.
RULES.

(*See Report* 1938, *page* 137.)

It was recorded in the Report for 1938 that the Chamber had offered certain criticisms on a Bill to make provision for the promotion of peaceful and amicable settlement of industrial disputes. The Bill which was passed by the Assembly and the Council in November 1938 received the assent of the Governor on the 13th February 1939.

On the 23rd March 1939 the Government of Bombay published in a Gazette Extraordinary certain draft Rules under the Act.

With the assistance of the Labour Sub-Committee the Committee examined these draft Rules and in addressing the Commissioner of Labour referred to the fact that the administrative provisions of the Act came into force on the 1st of June 1939 while the operative provisions came into force on the 1st of August. In practice the sections which came into force on the 1st of August would make but little alteration in the existing position of the employer as there were already conciliation proceedings in force under the old Act, while the most important object of the Act under Sections 55, 62, 63, 65, 66 and 67—the making of strikes and lockouts illegal—had been left till a later and presumably undecided date. Comments were also made on the following Rules :—

Rule 4 (Recognition of Unions) stated that any union which was registered under the Indian Trade Unions Act, 1926 might apply for recognition to the employer or the association of employers connected with the industry or occupation which such union covered and with whom the members of such union were employed. The Committee suggested that a further condition should be added which read as follows :—

"a current copy of the Union's Rules should be filed half-yearly with the Registrar."

Rule 6 (Representatives of Employers) laid down that a list of members of the Association should be forwarded to the Registrar on the 1st day of January and on the 1st day of July in every year. In the opinion of the Committee these dates were not suitable as the 1st of January was invariably a holiday and on occasions also the 1st of July. It was therefore recommended that the wording should be altered to " during the first week of January and during the first week of July."

Rule 7 stated that a statement showing the number of employees engaged in each occupation should be sent to the Registrar on the 1st day of every month. The Registrar had the power under Rule 9 to define the various occupations which if he wished could be split up into an indefinite number of categories, and if this power was abused it would entail an extra and heavy burden on the clerical staff of the factories concerned. The Committee submitted that the intervals at which these statements must be supplied should be preferably every six months as in Rule 8, or failing that every 3 months. Power could be given to the Registrar to call for additional statements in special cases such as when a reduction of staff occurred, rationalisation, or any major alteration in the number of employees.

Rule 23 stated that a Union might at any time call upon the Registrar for certain information. In the opinion of the Committee a copy of any letter addressed by the Registrar to the Union should be made available to the employers concerned.

Rule 40 proposed that any vacancy which had been created on a Board of Conciliation should be filled up by the Provincial Government either from the panel or by an independent person, as the case might be, and the name of the person appointed should be notified in the Official Gazette. The proceedings of the Board should be stayed until such time as the vacancy had been notified.

It was suggested that the words "either" and "or by an independent person, as the case may be" should be deleted.

Rule 52 laid down that as soon as an industrial dispute had been entered in the register, the conciliator should proceed to interview the parties concerned and endeavour to bring about a settlement of the dispute.

The Committee recommended that a paragraph should be added to this rule to the effect that the Registrar must enter notification of an industrial dispute in his register within 24 hours of receipt of the notice.

Rule 55 gave the Conciliator the right of entry to places where the employees concerned were employed or the office of any union or the premises provided by the employer for the residence of his employees for the purpose of holding a conciliation proceeding under the Act.

The Committee submitted that this right of entry should not be extended to residences of employees who were not concerned or to the premises provided by an employer for the residence of such unconcerned employees.

The rules were gazetted under Government Notification No. 2847/34 of the 29th of May.

The sections of the Act declaring strikes and lockouts illegal were brought into force on the 20th of August 1939 and were applied to the Cotton Textile Industry.

BOMBAY INDUSTRIAL DISPUTES ACT 1939.

Appointment of a Board of Conciliation.

In July 1939 the Commissioner of Labour informed the Chamber that under Section 23 of the Bombay Industrial Disputes Act, 1938, the Provincial Government was required to constitute panels of members representing the interests of the employers and employees respectively for appointment on a Board of Conciliation to be constituted, if necessary, when an industrial dispute arose.

As the provisions of the Industrial Disputes Act relating to conciliation came into force on the 1st of August 1939, the Chamber was invited to recommend the names of five persons representing the interests of employers for the consideration of Government.

The Committee submitted the names of the following gentlemen :—Mr. R. W. Bullock ; Mr. F. S. Woodcock ; Mr. G. H. Richmond; Mr. A. Kirkwood Brown ; Mr. S. O. Sundgren.

In August 1939 Government published a notification to amend Rule 34 of the Industrial Disputes Rules. The amendment sought to empower Government to constitute two separate panels consisting of " an equal number of persons representing the interests of the employers and employees, respectively " instead of two panels consisting of 20 persons each.

In addressing the Commissioner of Labour on this amendment the Committee stated that they were not in agreement with it and if Government considered that it might not be possible in certain circumstances to secure independent representation to serve on the Board of Conciliation from the number provided at the moment, the organisations of employers and employees should again be asked to submit further lists of nominees for inclusion in the panel.

Rule 34 read as follows :—

" The Provincial Government shall maintain two separate panels of an equal number of persons representing the interests of the employers and employees respectively for the purpose of appointment on Boards of Conciliation constituted under section 23. Before making appointments to these panels, the Provincial Government shall invite associations of employers and workers and such other bodies and persons as Government may deem fit to recommend the names of suitable persons for this purpose. The members of the panels shall be selected from the names so submitted."

The Government of Bombay in reply stated that the intention of Government in amending the rule was to remove the restriction, not imposed by the Act, on the

number of persons where names should be entered on the respective panels as it was likely to cause practical inconvenience in that the field of selection for actual appointments to the Board when constituted was likely to be narrow especially when the Act was extended to industries other than the cotton textile industry.

In reply to this the Chamber informed Government that it was not clearly mentioned that only those bodies who had submitted names for the Employers' Panels would be asked to supplement their nominees and Government was asked for an assurance that this was the intention.

BIHAR LABOUR ENQUIRY COMMITTEE.

In June 1939 the Chamber was advised through the Associated Chambers that the Bihar Labour Enquiry Committee was considering whether it was desirable to establish an Institute of Industrial Fatigue and Psychology in India on the same lines as, although on a smaller scale than, the Industrial Health Research Board and the National Institute of Industrial Psychology in England. The Institute would be devoted to research on subjects of great practical value both to the industry and the worker such as the most suitable arrangement of hours of work and rest, reduction of fatigue, incentives to work and personal factors in accident causation. It was felt that business men in India had no scientific data in regard to these matters to guide their own methods and practices. Whatever scientific data were available related to other countries and were, therefore, regarded with distrust. The Bihar Labour Committee were therefore of the opinion that such an Institute would serve a very useful purpose and before coming to any conclusion, enquired whether the Associated Chambers would be willing to provide a small grant towards the expenses of the Institute which were not likely to be considerable.

After referring the matter to the Labour Sub-Committee the Committee informed the Associated Chambers

that they did not favour the establishment of this Institute with the information then at their disposal and in any case would not agree to the provision of any grant.

As other constituent Chambers were of the same opinion the Associated Chambers suggested to the Bihar Labour Enquiry Committee that there were many more practical and useful amenities still to be provided in the industrial and labour fields in India before funds could be devoted to questions such as suggested by them. Further it had been pointed out that many industrial concerns in India profiting by researches undertaken elsewhere, were applying modern methods in their organisations and in their treatment of labour. It was therefore recommended that the matter be left to individual enterprise.

PAYMENT OF WAGES ACT.

Incorporation into Wages of Bonuses for Good Attendance.

(*See Report* 1938, *page* 143.)

It was recorded in the Chamber's Report for 1938 that a Circular had been issued by the Chief Inspector of Factories, Bombay Presidency, the effect of which was to incorporate into wages any bonus that might be offered by the employer for good attendance, good work, good production or matters of that kind.

Two test cases were filed in the Court of the City Magistrate, Ahmedabad, to determine whether " regular attendance " and " quantity or efficiency " bonuses formed part of the wages payable to employees and whether non-payment of the bonuses on the ground of non-fulfilment of the conditions attached thereto amounted to an illegal deduction for the purpose of Section 7 of the Payment of Wages Act. The decision of the Magistrate in both cases was that the bonus formed part of the wages and that the non-payment of it amounted to an illegal deduction under the Act.

An appeal was lodged in both instances.

The appeal case was heard by the Assistant Judge, Ahmedabad, who dismissed the appeal with costs.

The matter is now being taken on further appeal to the Bombay High Court.

The Assistant Judge's judgment is reproduced in the Appendices.

EMPLOYMENT TAX BILL.

In March 1939 the Associated Chambers of Commerce of India forwarded for the views of constituent Chambers a copy of the United Provinces Employment Tax Bill received from the Upper India Chamber of Commerce.

The Bill sought power to levy a Provincial tax on salaries of employees (including Directors, Managing Agents, selling and purchasing agents of Companies) above Rs. 2,500 per annum (i.e., about Rs. 200 per month) beginning at about 4 per cent. at the bottom of the scale and rising to over 10 per cent. on salaries of over Rs. 3,000 per month.

It was stated that the legality of the Bill was engaging the careful attention of the Upper India Chamber in conjunction with the United Provinces Chamber and the Merchants Chamber of the United Provinces, the intention being to submit a joint memorial on the subject to the Governor-General with the object of getting the Governor-General to refer the question of legality to the Federal Court.

The Associated Chambers recommended to constituent Chambers that the Association should lend its support to the joint memorial which it was proposed to submit to the Governor-General.

After examining the Bill the Committee informed the Associated Chambers that they were in favour of offering full support to the proposed memorial.

In December 1939 the Governor-General decided to suspend consideration of the Bill. His Excellency had been in consultation with the Secretary of State regarding the Bill which was reserved for his consideration by the Governor of the United Provinces. In the opinion of His Majesty's Government the powers of taxation given to Provincial Governors by the terms of Item 46 of the Provincial Legislative List were never intended to bear the very wide interpretation which the Bill put on them.

A Bill was accordingly introduced in the House of Lords on the 7th December 1939 providing *inter alia* for the insertion in the Government of India Act 1935 of a new clause 142A in the following terms :—

"142A. (1) Notwithstanding anything in section 100 of this Act, no provincial law relating to taxes for the benefit of a province or of a municipality, district board, local board or other local authority therein in respect of professions, trades, callings or employments shall be invalid on the ground that it relates to a tax on income.

(2) The total amount payable in respect of any one person to the province or to any one municipality, district board, local board, or other local authority in the province by way of taxes on professions, trades, callings and employments shall not, after the 31st day of March 1939, exceed Rs. 50 per annum :

Provided that if in the financial year ending with that date there was in force in the case of any province or any such municipality, board or authority, a tax on professions, trades, callings or employments the rate or the maximum rate, of which exceeds Rs. 50 per annum, the proceeding provisions of this sub-section shall, unless for the time being provision to the contrary is made by a law of the Federal Legislature, have effect in relation to that province, municipality, board or authority as if for the reference to fifty rupees per annum, there were substituted a reference to that rate or maximum rate or such lower rate, if any (being a rate greater than Rs. 50 per annum) as may for the time being be fixed by a law of the Federal Legislature and any law of the Federal Legislature may for any of the purposes of this proviso be made either generally or in relation to any specified provinces, municipalities, boards or authorities.

(3) The fact that the provincial legislature has power to make laws as aforesaid with respect to taxes on professions, trades, callings and employments shall not be construed as limiting, in relation to professions, trades, callings and employments, the generality of the entry in the Federal Legislative List relating to taxes on income."

The Bill also provides for (*i*) the inclusion in the Federal Legislative List of the following new paragraph :—

"54A. The matters specified in the proviso to sub-section (2) of section 142A of this Act as matters with respect to which provision may be made by laws of the Federal Legislature."

(*ii*) the substitution of the following paragraph 46 of the Provincial Legislative List :—

"46. Taxes on professions, trades, callings and employments subject, however, to the provisions of section 142A of this Act."

BOMBAY AGRICULTURAL DEBTORS RELIEF ACT.

(*See Report* 1936, *page* 53.)

In February 1939 the Government of Bombay published a Bill to provide for the relief of agricultural debtors in the Province of Bombay.

In the statement of objects and reasons appended to the Bill it was stated that the question of agricultural indebtedness had been considered both by the Royal Commission on Agriculture and the Indian Central Banking Enquiry Committee. Both these bodies recommended that the Governments concerned should explore the possibilities and desirability of undertaking legislation to secure the settlement of debts on a compulsory basis.

The evils resulting from agricultural indebtedness were well known. The cultivator's credit was low and he had to pay a high rate of interest even for current finance. The economic servitude that arose from the moneylender's grip on the agriculturists gave rise to several evils, the chief among them being the disposal of the agricultural produce at an unfavourable season and at a price detrimental to the cultivator in order that the demand of the moneylender might be satisfied. The Indian Central Banking Enquiry Committee reported that "the prosperity of the country and the successful development of its trade and commerce entirely depend upon the improvement in the general economic condition and in the increase in the

buying power of its population engaged and dependent on agriculture." It was with a view to relieve the agriculturist from the burden of his indebtedness that the legislative enactment was proposed.

The Committee referred the Bill to a Special Sub-Committee who in the first instance discussed its terms with the Secretary to the Government of Bombay, Revenue Department.

In submitting their report to the General Committee the Special Sub-Committee pointed out that in December 1934 the Chamber supported a resolution of the Associated Chambers of Commerce of India the terms of which were as follows :—

"In view of the all-India importance of the relations between debtor and creditor this Association recommends to the Government of India that a conference of representatives of Provincial Governments should be called forthwith to co-ordinate all measures, legislative or otherwise, designed by Provincial Governments to effect the relief of indebtedness of the agricultural population, and that in view of its possible repercussions on commercial interests, representatives of Chambers of Commerce should be associated with the conference."

In replying to this resolution, the Government of India stated that it had been decided that each Province should be allowed to deal with this matter on its own lines.

In 1936 a private Bill was introduced in the Bombay Legislative Council which met with the support of this Chamber and in due course was sent to a Select Committee, but before the Select Committee reported, the Ministry went out of office and nothing further was done until the introduction of the new Bill.

This Bill intended to set up Debt Adjustment Boards throughout the Province for the purpose of scaling down debts incurred by an agriculturist who personally cultivated lands to a sum within his capacity to pay. He must be a member of a Resource Society and the extent of the debt to which the Bill would apply was limited.

Further the Sub-Committee stated that they had been informed that it was intended to set up on an average 3 Boards for each taluka in the Province, which would mean some 900 Boards in all, and that members of these Boards were expected to serve in an honorary capacity. They were of opinion that without a pecuniary incentive an organisation such as this was not likely to succeed and recommended that the Chairman should, as far as possible, be drawn from the Sub-Judiciary class who would be given authority to co-opt assessors and that the whole Board should be on a stipendiary basis remunerated by fees for attendance at meetings of the Board.

The application of the Bill was limited to an agriculturist whose debts on January 1st 1939 amounted to less than Rs. 15,000 and more than Rs. 100. It was estimated that in the Province of Bombay there were some two million debtors with an average of Rs. 500 per head, but in so far as this included a number of debtors owing sums in excess of Rs. 15,000 it was probable that the bulk of the cases coming up for adjustment or relief would be cases in respect of sums from Rs. 1,000 to Rs. 4,000. After the formation of the Debt Adjustment Board either the debtor or the creditor must make application within one year to the Board. Under clause 29, if the application was not made within that period the debt was deemed to have been discharged. The Sub-Committee stated that they feared that abuse was likely to occur under this clause and recommended its deletion.

Under clause 50 of the Bill an award could only be made by the Board if the debtor was a member of a Resource Society approved by the Provincial Government. The Sub-Committee stated that they were informed that Resource Societies would be prepared to enrol nominal members to fulfil this condition, but they considered that this should be clearly stated in the Bill.

No alienation in respect of the property included in an award became valid until the award was paid up and crops

were inalienable without the permission of the Resource Societies which financed them. The primary Resource Societies were financed by the District Central Bank which in turn depended on the Provincial Central Bank holding public deposits at its disposal. It was claimed that there was no shortage of funds at the Centre, but it was equally admitted that the Primary Resource Societies had not, as a general rule, been successful. It was intended that after the introduction of the Bill the Resource Societies should confine their loans to crop finance and that these loans should not exceed 1/6th of the assets in land and property of its members. Membership of a Resource Society entailed that a member should sell his crops through the Society only ; part of the proceeds of this sale would go towards paying instalments of the scaled down debt to the village moneylender and in so far as these Resource Societies lacked experience in selling and had not proved an unqualified success in the past, the Sub-Committee feared the possibility of a breakdown in the system and the consequent forced return to the services of the village moneylender. It was claimed that owing to the exigencies of the moneylender the agriculturist had lost his initiative and did not attempt to improve his crops. It was hoped that the Bill would finally release him from debt and thus remedy this position, but experience alone could prove the feasibility of the proposal.

In conclusion the Sub-Committee recommended that in view of the general attitude towards this question adopted by the Chamber in the past, the Bill should be supported in principle since there could be no question that its intention to relieve agricultural debtors from their burden of indebtedness to moneylenders, was a desirable one, but notwithstanding their support in principle, they felt that the transfer of what in the past had been a judicial function to a Debt Adjustment Board was a very serious matter. They were inclined to suggest that Government should consider a scheme under which debt adjustment, scaling

down, etc., be dealt with by First or Second Class Sub-Judges. This procedure would probably entail the appointment of 50 additional temporary Sub-Judges who would be drawn from the practising Pleaders Class. These Sub-Judges might co-opt 2 or 3 local men as assessors or members of the Conciliation/Adjustment Boards. The Sub-Judges would proceed not on ordinary legal lines, but following a course more or less on the terms outlined in the Bill.

It was therefore suggested that the Chamber's representatives in the Legislative Assembly should be instructed to support the Bill, but with such reservations as had been set out above.

The Committee accepted the recommendations of the Sub-Committee and forwarded them to the representative of the European Group on the Select Committee appointed to consider the Bill.

The Select Committee's report was published in July 1939. The Special Sub-Committee of the Chamber agreed that certain improvements had been made but they were not satisfied with the proposal regarding the constitution of the Debt Adjustment Board. The Select Committee had proposed that the qualifications of members of this Board were to be prescribed by rules, but in the view of the Chamber these qualifications should be prescribed by law, the Chairman should have judicial qualifications and the appointment should be of a stipendiary nature. The Chamber's representative on the Bombay Legislative Assembly was therefore requested to support the Bill with these reservations, when it came before the Assembly.

The Bill was passed by the Legislative Assembly on the 25th October, 1939 and received the assent of the Governor-General on the 19th January 1940. (Bombay Act No. XXVIII of 1939.)

PROHIBITION.

(*See Report* 1938, *page* 133.)

In May 1939 the Committee addressed the Chief Secretary to the Government of Bombay regarding Government's avowed policy of enforcing prohibition on and from the 1st August. The Committee stated that they did not propose to enter into a discussion of the ethics of the case but they could not refrain from recording their opinion that the extent to which excessive consumption of alcohol was said to prevail in Bombay had been greatly exaggerated by the supporters of the policy of prohibition. They fully appreciated that excessive consumption of alcohol was socially undesirable and had serious effects on those who so indulged in it, but the latter were only a small minority of the population of the city of Bombay and they regarded it as manifestly unjust that the trade of the city and the livelihood of a very large number of its citizens should be jeopardized in an attempt to enforce a view of private conduct which moreover, when attempted in other countries, had signally failed.

One inevitable result of this policy which gave grounds for very grave apprehension was the effect which it would have on the financial stability of the province. Not only would it directly cause serious loss to thousands of citizens of Bombay and throw many more out of employment, but there would also be a very serious loss to face in the diversion of trade from the Port. The direct loss and unemployment which would follow its adoption were so obvious as to need no elaboration. As regards the second point Government could not be unaware that for several years past the diversion of trade from Bombay to other ports on the West Coast of India had been a cause of anxiety, and strenuous efforts had been made to cope with it. The policy of prohibition would cause an immediate set-back to the trade of the City as large consignments of wines and spirits which at present arrived in Bombay would cease to do so when the City became " dry." Admittedly, so far as was known at

the moment, traders would still be free to sell to areas outside Bombay where prohibition was not in force, but in actual practice they would not have much opportunity to do so, as a large share of the traffic would be diverted to other ports where the hampering restrictions attendant on a policy of prohibition did not exist. This diversion would cause direct loss not only to the traders primarily affected but also to the Port Trust, shipping, clearing agents, transport contractors, etc.

There was another and equally serious consideration to which it was necessary to refer—the spread of lawlessness, bribery and corruption which would follow the introduction of prohibition just as certainly as it did in America. The Committee considered that prohibition was a measure which could not be enforced by legislation. America learnt that lesson at great cost and India would assuredly do the same unless the policy was abandoned or modified before it was too late. The nature of the measure itself, which directly touched the domestic habits of the people and was a negation of personal liberty, was such that only strong and unremitting control by a large and expensive preventive service would have any effect in enforcing observance of it and then would be only partially effective. To suggest otherwise would be deliberately to refuse to face the facts of the case.

In the opinion of the Committee, there was little doubt that the benefits likely to accrue to the small minority whom it was considered necessary to save from the ill-effects of over-indulgence in alcohol would be greatly outweighed by the adverse effects on the finances of the Province and the serious social evils to which such a repressive policy would give rise.

The Committee hoped that while there was yet time Government would give further consideration to all the effects of their proposed policy, not overlooking the fact that it had been a failure in every other country where it had been tried and that to attempt it here also involved

giving up a large amount of revenue which could otherwise be applied to the uplift of the rural population and similar "nation building" services.

In spite of the protests submitted to Government by various bodies and associations, prohibition was enforced on the 1st August 1939.

The following are some of the restrictions imposed by the Government of Bombay to control the consumption and use of alcohol.

Subject to such general or special orders as Government might make in this behalf, a permit for the use of consumption of foreign liquor might be granted to any person who was not a minor, if the Commissioner or such Excise Officer as might be authorised by him in this behalf was satisfied :—

(*i*) that the health of such person would be seriously and permanently affected, if such person was not permitted to use or consume such liquor ; or

(*ii*) (1) that such person was either born or brought up or domiciled in any country outside India where such liquor was being generally used or consumed ; and

(2) that such person if not domiciled in the British Empire was on the Register of Foreigners under the Registration of Foreigners Act, 1939 ; and

(3) that such person had been residing and intended to reside in India temporarily and that such person had a fixed settled purpose of making his sole and permanent home in any country outside India ; and

(4) that such person was ordinarily using or consuming such liquor.

Provided that such person undertook, and in the opinion of the officer authorised to grant the permit was likely to abide by the conditions of the permit, and the rules under the Bombay Abkari Act, and not to do anything which would have the effect of directly or indirectly defeating or frustrating the policy of prohibition adopted by Government.

Government decided to appoint such Committees as might be necessary for investigating the claims of persons applying for permits under this Order and for making recommendations to the Commissioner.

A permit would entitle the holder to have in his possession not more than 7 units of liquor at a time and to purchase not more than 7 units in a month.

A unit would consist of :—

One quart bottle of 26⅔ ozs. of spirits of liquors or three quart bottles of wine or vermouth, or nine bottles of foreign fermented liquor, or a combination of the above in proportion, e.g., one third bottle of whisky+one bottle of champagne+three bottles of beer.

A permit would be valid for all prohibition areas in the Province.

Fees for permit.

The fees for permits are charged at the following rates :—

(*a*)	For application form for permit	Re. 1
(*b*)	For annual permit	Rs. 10
(*c*)	For interim permit	Rs. 2
(*d*)	For visitors' permit	Rs. 2
(*e*)	Extension of visitor's permit	Rs. 2

Sale of spirituous medicinal preparations and beverages.

(*a*) The following preparations will be exempted from all restrictions :—

(*i*) All preparations containing alcohol not exceeding 2 per cent. by volume.

(*ii*) Spirituous medicinal preparations which, by the nature of their medication are unfit for consumption as a beverage, being either actually poisonous or when taken in sufficient quantity to produce any effect from the alcohol content, would also produce serious physical disturbances.

(*b*) (*i*) Save as mentioned in Clause (*a*), the following preparations may only be sold under a licence by dispensing chemists on the strength of a prescription from a registered or approved medical practitioner :—

1. Brandy, Rum or Champagne.
2. Tonic Wines and Asavas and Arishtas ;
3. Spirituous medicinal preparations which can be used as beverages.

(*ii*) A separate licence will be granted for the retail sale of each of the three classes of preparations. A fee of Rs. 10 will be charged for each such licence.

(*iii*) Registered or approved medical practitioners may be allowed the use of the above preparations as ingredients in the medicines dispensed by them to their patients under a licence for which a fee of Re. 1 will be charged.

(*iv*) Licences for the sale of Brandy, Rum or Champagne will be granted to a limited number of dispensing chemists.

SALE OF MEDICATED WINES AND OTHER PREPARATIONS CONTAINING ALCOHOL.

Owing to Government's prohibition policy, representatives of manufacturers, manufacturers' agents and importers of pharmaceutical and toilet preparations in Bombay held a meeting in May 1939 under the aegis of the Chamber, to consider the difficulties that would arise when the various rules in conjunction with the introduction of " prohibition " were brought into force.

A special Sub-Committee was appointed to examine what steps should be taken from time to time in order to protect pharmaceutical and toilet interests.

Copies of all important correspondence on the subject and proceedings of meetings of the special Sub-Committee have been filed in the Chamber's office for reference.

BILL TO AMEND THE BOMBAY ABKARI ACT, 1878.

(*See Report for* 1938, *page* 136.)

It was recorded in the report for 1938 that the Chamber opposed the Bill to amend the Abkari Act of 1878, especially the sections dealing with the prohibition of alcohol advertisements.

The Bill was, however, passed with certain amendments by the Bombay Legislature and received the assent of the Governor on the 30th April 1939. It took the form of adding two chapters to the Abkari Act. Both parts were intended to further the prohibition policy.

(1) Powers of search were given to the officers concerned to cope with smuggling. Officers were given powers to open packages and examine goods, and to stop and search for any intoxicant any vessel, vehicle or other means of conveyance. The owners of the goods concerned were to pay incidental expenses.

(2) The advertising of intoxicants was prohibited on the lines of recent legislation in Madras.

(*i*) The printing and publication of matter containing such advertisements was forbidden in the Province.

(*ii*) Government might forbid the circulation or sale of matter printed outside the Province containing such advertisements.

(*iii*) Matter containing such advertisements might be confiscated by Government.

(*iv*) The maximum penalty for contraventions was fixed at Rs. 1,000.

In August 1939 a Bill known as the Bombay Abkari (Second Amendment) Bill of 1939 was published in order to make the policy of prohibition in the province a success by effectively controlling the illegal use of intoxicants. The existing provisions of the Bombay Abkari Act required some additions and modifications with the changed circumstances brought about by the declared policy of prohibition. It had, therefore, become necessary further to amend the Bombay Abkari Act of 1878, by the adoption of special provisions to carry out the objects in view. Opportunity had been taken to embody certain provisions in respect of molasses and methylated spirits. Provision had also been made to secure that the use of intoxicants given for medicinal purposes was confined to genuine cases. The Bill was down on the agenda for the meeting of the third sessions of the Assembly dated 25th September 1939 but had not been reached when the Congress Ministry resigned office.

BY-LAWS OF THE EAST INDIA COTTON ASSOCIATION.

AMENDMENTS.

During the year under review several amendments of the By-laws of the East India Cotton Association were published. With the exception of the amendment to By-law 36, the Chamber had no comments to offer.

It was proposed to add the following as Clause 10 to By-law 36 :—

36 (10). The foregoing provisions of this By-law shall not, except as to matters of procedure, apply to any dispute as to quality between a buyer and a seller (including a dispute between a Member and non-Member) in respect of cotton under a contract for delivery or shipment outside the City of Bombay, to a buyer outside the City of Bombay. Each such dispute shall be referred to the arbitration of an *ad hoc* Survey Committee with a right of appeal to an *ad hoc* Appeal Committee appointed in this behalf by the Board, or, if so authorised by the Board, by the Chairman if not interested. Each such Committee shall consist of three disinterested persons qualified to act on the Survey Committee or Appeal Committee as the case may be. The names of the parties to any dispute shall be disclosed to the Chairman, but when the appointment to these Committees is by the Board, shall not be disclosed to any other member of the Board. The unanimous or majority award of an *ad hoc* Survey Committee where no appeal is preferred and the unanimous or majority award of the *ad hoc* Appeal Committee when an appeal has been preferred shall when signed by the Chairman of such Committee be final and binding upon the parties.

After consulting the Cotton Sub-Committee the Committee informed the Government of Bombay that the new clause which it was proposed to insert appeared to be somewhat anomalous in so far as it seemed to be the intention to confine the benefit of an improvement in contract only to cotton which was delivered or shipped outside Bombay. They understood, however, that the Buyers Association had accepted the new clause but they thought that it would be comparatively little used in practice.

UNITARY CONTROL OF THE COTTON TRADE.

(*See Report* 1938, *page* 198.)

It was recorded in the Chamber's Report for 1938 that the Committee had expressed its views to the Government of Bombay on the question of the control of forward trading in stocks and shares and commodities in general. The Committee at that time regarded unitary control of the cotton trade as the ideal provided it had developed by its own strength and grown into a generally accepted control supported by sanctions devised from the trade itself. Further, the Committee observed that unitary control could exist in practice without the aid of legislation of any kind. It was equally obvious that unitary control would not necessarily be achieved as a result of legislation on the lines indicated in Government's letter which suggested that Government were considering the introduction of a penal clause into the existing Acts governing the conduct of the stocks and shares market and the cotton market. It was considered that such a clause would not assist Government in suppressing gambling. Its only justification would be an attempt in the interest of the respective markets to achieve unitary control and, if this were the objective, it would be necessary that only one Association should be recognised in each market and, in effect, be given a monopoly. The granting of a monopoly had been recognised as an evil by the Provincial Legislature on at least two occasions in the past and the Stock Exchange Enquiry Committee under the chairmanship of Mr. W. B. Morison did not accept the proposals of witnesses calculated to have the same effect. Moreover, there was no such outstanding merit in any of the associations concerned as to be a reason for waiving the question of the principle involved.

Early in June 1939 the Chamber's attention was drawn to the fact that at the instance of Government the East India Cotton Association and the Shri Mahajan Association were reported to have reached an agreement as regards the question of amalgamation.

In addressing the Government of Bombay, Finance Department, in this matter the Committee stated that although Government had given their approval to the amalgamation of these two bodies, they now learnt that at an extraordinary general meeting of the Shri Mahajan Association held on the 25th July the merger terms were rejected and the matter was still therefore in abeyance.

While the Chamber was in agreement that the principle of unitary control was an ideal to be aimed at, they again emphasised their strong opposition to the imposition of a penal clause to regulate trading which they regarded as a highly undesirable feature.

The foremost consideration was whether in the event of the introduction by Government of unitary control and the simultaneous enforcement of a penal clause, the Government were prepared to give an undertaking to the cotton growers and the traders in and consumers of actual cotton guaranteeing free facilities for enabling them to carry on their legitimate business of buying, selling and hedging under all conditions and circumstances. Such an undertaking would mean that no section of the trade should have a preponderance over other sections in matters relating either to the administration of the recognised Association or to the normal conduct of cotton business. Such an assurance was very important in view of the circumstances prevailing in the Trade at the moment.

Under the existing system of voting at general meetings of the East India Cotton Association (one member one vote) the numerical strength of any one group of common interest would give them a clear majority in all matters connected with the Association and the Trade. Against this the only safeguards as provided under the existing constitution of the East India Cotton Association to prevent a majority section from imposing its will to too great an extent on the minorities were that, at general meetings of the Association, both ordinary and extraordinary, a bare majority only was necessary to carry a resolution. The

same majority applied also to any amendment proposed by the Board to any By-laws of the Association. But in the event of a poll being demanded at such a meeting or a meeting convened upon a requisition addresed to the Board under Article 32 of the Articles of the East India Cotton Association a two-thirds majority was necessary to carry the point at issue. Also, for any proposed change in the Articles of Association a three-quarters majority was required.

Experience had shown that on occasions the above position was one in which protection for minority sections of the Trade was inadequate since the majority section could circumvent safeguards by demanding a poll and, by so doing, obtain a ruling in their favour although the point at issue might have been passed at the general meeting through the concerted efforts of the minorities.

If the East India Cotton Association became amalgamated with the Shri Mahajan Association under the existing terms there would be considerable fear that the brokers section might gradually attain a controlling interest in the Trade. Furthermore, it was conceivable that the new Shri Mahajan members might eventually be admitted as full members of the East India Cotton Association, thus swelling the voting strength of the brokers section and making it still more impossible for any other group to introduce any proposal or to ask for an alteration or amendment to any By-law of the East India Cotton Association which had not the sanction or the approval of the brokers. The Chamber considered that such subjugation of any one section of the Trade to any other section was most undesirable.

Under the terms of the proposed amalgamation it was suggested that the representation of brokers on the Board of Directors of the East India Cotton Association should be nine members as against nine members from the buyers and sellers panel. The existing personnel of the directorate consisted of six seats held by the brokers section of the Trade while buyers and sellers jointly held eight seats. This ratio

of representation should remain and if it was considered to be necessary to increase the strength of brokers on the directorate from six to nine, a corresponding increase should also be made in the representation of buyers and sellers by giving an additional representation of two seats to each of these sections, thus constituting a Board on which brokers had nine seats while the rest of the Trade had twelve seats.

The proposed introduction of unitary control with a penal clause had been associated with a ruling that trading in futures (hedge contracts) would be restricted to the Trading Ring only. While, superficially, this might seem sound, it had caused serious apprehensions in the Trade as it would be a most serious handicap to that section of the Trade which dealt in actual cotton as on ordinary working days when the Ring was closed such traders would be denied the right of operating in the hedge market against purchases or sales of actual cotton. The Committee were, therefore, strongly of the opinion that on all days which were not declared as public holidays on the East India Cotton Association calendar trading between members should be permissible even though for some local reason the Ring itself was closed. In the past, on days other than declared holidays the forward and ready markets had been closed indiscriminately without due notice being given to the Trade. In the interests of free and unrestricted trading it was essential that a definite number of holidays should be decided on at the commencement of each year, that those holidays should be published on the calendar of the East India Cotton Association and thereafter strictly adhered to under all circumstances, the death of a member being the only exception in which case trading might be suspended for not more than an hour to mark the respect of the Trade to the memory of the deceased member.

As regards the Ring Committee which controlled trading in the forward ring, that Body was at the moment elected on the vote of all members of the East India Cotton

Association and not on the panel system. Because of the numerical superiority of the brokers the Ring Committee from its inception had consisted exclusively of broker members who therefore had complete control over Ring trading. It was nothing more than elementary justice for the millowners and the merchants who dealt in actual cotton to be granted representation on this important Committee which controlled forward trading. As the primary function of the forward market was to ensure the smooth and orderly marketing of cotton by providing for unrestricted trading and suitable hedging facilities, the millowners and merchants were just as concerned as the brokers in the orderly functioning of the forward market which afforded them facilities to operate hedges against business in actual cotton, yarn and cloth.

While it was recognised that brokers performed an important part in the cotton trade, the East India Cotton Association was a body given authority to regulate the whole of the cotton trade. That cotton trade consisted of growers, merchants who bought actual cotton in the up-country districts, either selling it to Indian mills or exporting it to foreign markets, Indian mills who consumed Indian cotton and lastly brokers who facilitated business in actual cotton but to a much larger extent handled speculative business in futures. On the face of it, any representation in the controlling body (the East India Cotton Association) which gave one section of the Trade a controlling interest was unwise. If the section of the Trade given a controlling interest was that section which dealt with futures rather than actual cotton wherein the real interests of the Trade and growers lay, then the maladjustment of representation was even more unwise.

It had already been pointed out in previous correspondence that the introduction of legislation to control forward trading in the Bombay Presidency alone would tend to the setting up of rival associations outside the Presidency and, particularly in Indian States, thus enabling

traders outside the Bombay Presidency to trade indiscriminately and at the expense of the traders and merchants of this Presidency. The regulation of the Bombay cotton market being a matter keenly and directly affecting the interests of the cotton growers, manufacturers, merchants and brokers all over India, the Committee submitted the opinion that the Government of Bombay should seek the views of the Indian Central Cotton Committee before passing legislation effectively granting unitary control to the East India Cotton Association.

CONTROL OF COTTON OPTIONS.

In September 1939 the Chamber was requested to nominate three members to attend an informal conference with the Finance Minister on certain suggestions that had been put to Government for controlling excessive speculations in cotton during the period of war. The Chamber nominated Mr. Goodwin, Mr. Durutti and Mr. Saraiya to attend the conference. At the conference it was suggested that excessive speculation might be checked by the institution of weekly clearances by the East India Cotton Association and the disclosure to the Clearing House of each party's open position in contracts. More important however than the details of any such measures was the fact that their introduction would at the moment make it necessary for Government either to recognise or to suppress the Mahajan Association. Government therefore were considering taking powers whereby they would be in a position to form a new Association out of the East India and Mahajan Associations. Government considered this to be the only course open as the Trade generally approved the principle of unitary control but was unable to frame a constitution acceptable to all interests.

On the 22nd of September, the Governor of Bombay issued an Ordinance for the prohibition of options. The object of the Ordinance was to put an immediate stop to options in cotton and also to enable Government to issue

bye-laws for the regulation of cotton contracts without waiting for the lengthy procedure prescribed under the Bombay Cotton Contracts Act of 1932. The Ordinance could not remain in force longer than six weeks from the re-assembly of the Legislature, viz., the 25th of that month. It was the intention of Government to introduce a Bill on more comprehensive lines than those dealt with in the Ordinance. In the first place if Government found that the voidability of options had not the effect of stopping them they would include in the Bill further provisions which would effectively put a stop to them. The question of making options a criminal offence was being considered by Government in this connection. Further, Government were of the opinion that for the proper regulation of the cotton trade, particularly during times of emergency such as existed at the moment it was essential to have unitary control. In its absence, rules which it might be necessary to enforce in public interests could be easily frustrated. Government therefore proposed to include in the Bill a provision which would prevent the running of unrecognised associations.

A Bill was accordingly published in the Bombay Government Gazette dated the 24th of October 1939. According to the statement of objects and reasons appended to the Bill, the Bombay Options in Cotton Prohibition Ordinance, 1939 (No. II of 1939), would cease to operate after the 3rd November 1939. As it was essential in the interest of the cotton trade that the provisions of the Ordinance should continue to be on the Statute Book, they had been put in the form of this Bill. The Bill took the form of amendments to the Bombay Cotton Contracts Act, 1932, but in substance there was no difference between it and the Ordinance. The Bill, however, was not proceeded with on account of the resignation of the Congress Ministry.

In November 1939 as the situation in the cotton-market was still very unfavourable, the Committee addressed the Government of Bombay and pointed out that the reasons for publishing Ordinance No. II in September had even

more force at the moment than in that month. The lapsing of that Ordinance had led to a renewal of the wild speculation in cotton which it was designed to prevent.

The Committee considered that it would be in the best interests of the trade to make dealings in options void in law until further notice. In making this recommendation they did not wish to suggest that in normal times option dealings did not perform a useful service in providing a wide market for hedging operations. It was possible that by a more rigorous control of the working of the cotton market, such as the institution of weekly clearing and the prohibition of particular types of option business, the more drastic method suggested could be avoided. As, however, the matter was urgent and as there was no immediate prospect of machinery for an acceptable form of unitary control being provided, they considered that their proposal was the only way of meeting a serious situation. Government was therefore urged to take immediate steps to publish the necessary Ordinance and subsequently to introduce legislation to the same effect.

According to a Press Note dated 11th December 1939, the Governor had given anxious consideration to the question as to whether the substance of the Ordinance should not again be enacted. The cotton market had during the previous three weeks, been extremely unsteady. Prices had risen steeply and it was understood that there was anxiety in the trade. His Excellency had given particular consideration in this connection to the interests of the producer of cotton. On a short view it might appear that it would be in the interests of the cultivator if Government did not take any action which might have the effect of bringing down the existing high prices. His Excellency considered however that it was essential to take a long view, particularly as the cotton crop moved into the market over the larger part of the year. It was generally admitted that the effect of options was to exaggerate price movements. It happened that, at the moment, as a result of

option business, the upward movement of prices had been exaggerated, and prices had risen above parity. But it was possible that during the ensuing few months there might be a reaction and prices might tend to go below parity, and in that event options would exaggerate the downward movement with the same violence with which they had forced up prices. That would be definitely against the interest of the cultivator. For these reasons His Excellency considered that it would be in the interests of both the cultivator and the trade to stop options. He therefore enacted the provisions of the Ordinance under Act No. XXV of 1939. If it was found that the declaration of options as void did not have the desired effect, His Excellency would consider what other action could be taken to achieve this aim.

ARRIVALS OF COTTON IN BOMBAY BY MOTOR LORRY.

(*See Reports* 1937, *page* 214 ; 1938, *page* 180.)

This question arose in May 1937 when a member requested the Chamber to include in its statistics of cotton by sea and rail, statistics of arrivals of cotton by road. The request was supported by the East India Cotton Association who asked the Chamber to approach the Government of Bombay for help in collecting these statistics. The Chamber replied that in so far as it was mainly in the interests of the cotton trade the first approach to Government should be made by the East India Cotton Association, which representation the Chamber would be prepared to support. This was duly done. Government in reply suggested that the work should be undertaken by the Port Trust who recovered town duty on behalf of the Bombay Municipality.

On the Port Trust being addressed in the matter they informed the East India Cotton Association that they had no authority to detain lorries carrying cotton which was not subject to town duty.

In December 1937 the East India Cotton Association enquired whether the Chamber would undertake to bear the cost of any staff Government might have to engage to collect statistics if willing to do so. The Committee replied that they would be willing to undertake the expense of additional staff to collect these statistics if Government would be prepared to give the necessary facilities, but before giving a definite undertaking the Committee asked for further information as to the cost. In January 1939 the East India Cotton Association were advised by Government that they would be prepared to undertake the necessary legislation and to appoint a staff provided the Association would be willing to bear the cost of the additional establishment amounting to Rs. 5,700 a year. As a result of this communication the Chamber approached the Port Trust requesting their co-operation and suggesting that an attempt should be made to persuade Government to introduce the necessary legislation to enable the Port Trust Excise staff to undertake the work, and at the same time the Chamber agreed to bear the additional cost. The Port Trust agreed to do this and Government were accordingly requested to undertake the necessary legislation.

The Chamber was subsequently informed by the Port Trust that the Municipal Commissioner had under consideration a scheme to augment the Municipal staff at the causeways with a view to the Municipality taking over the entire work of collecting town duty as well as certifying export of dutiable goods by road. If this scheme was approved by the Municipal Corporation, the Port Trust staff would be withdrawn from the causeways and consequently would be unable to carry out the work of collecting the statistics.

The Chamber accordingly enquired of the Municipal Commissioner whether he would be prepared to undertake this work on behalf of the Chamber in return for an annual payment. At the same time, as the Committee considered that the collection of these statistics was a matter of some

urgency, they requested the Government of Bombay that in the legislation which the Chamber had already asked to be enacted, provision should be made for such powers as might be given to the Port Trust to be transferrable to the Municipality if and when required.

Government intimated, however, that it would take some time before a decision was reached.

TRADE CLASSIFICATION OF INDIAN COTTON.

In December 1939 the Government of Bombay asked for the views of the Chamber on a scheme that had been drawn up by the Indian Central Cotton Committee in consultation with the East India Cotton Association for the compilation in future of the statistics of cotton pressed in India according to trade descriptions.

The Committee informed the Government of Bombay that the scheme met with their approval.

A tabulated statement giving the trade descriptions of cotton and the tracts which it was proposed to include under each description will be found in the Appendices.

COTTON GINNING AND PRESSING FACTORIES (AMENDMENT) BILL.

(*See Report* 1938 *page* 178.)

In February 1939 a Government of India Bill was published to amend the Cotton Ginning and Pressing Factories Act which was passed in 1925 with the object of putting the trade in a position to protect itself against such malpractices as damping, mixing and adulteration which were injurious to the quality and reputation of Indian Cotton. Briefly, the Act provided, *inter alia*, for the marking of bales pressed so as to enable the pressing factory and the owner of the bales to be traced in cases of malpractices. It further laid down that unmarked bales were not tenderable in fulfilment of a contract if marked bales were demanded by the purchaser.

The cotton dealers had represented that a rigid application of section 14 of the Act which conferred on a person, who had made a contract for the purchase of baled cotton, the right to reject a bale in fulfilment of a contract, if it was not marked as required by the law, caused great hardship to the trade, in that it enabled purchasers to declare cotton not a fair tender even if there were only minor technical faults in marking which were far less important than the special press mark prescribed for the factory. The Indian Central Cotton Committee which was concerned with the improvement and development of the growing, marketing and manufacture of cotton in India urged that this section should be amended in such a manner that the right of a purchaser to reject a bale of cotton was limited to cases in which the bale did not bear the special mark prescribed for the factory under section 4(1) of the Act, and that if bales were correctly marked it should be presumed as between the buyer and the seller that they were marked before leaving the factory.

The Indian Central Cotton Committee also recommended an amendment of section 9 of the Act as complaints had been received that in certain cotton ginning and pressing factories the construction of which was completed or commenced before the Act came into operation, additions and alterations were made which were not in accordance with prescribed plans and specifications. It was accordingly proposed so to amend this section as to render the factory owner making alterations and additions to his factory liable to cause the alterations and additions to conform to the requirements which sub-section (1) of section 9 would have caused to attach to an original construction in so far as those requirements were directly relevant to the alteration or addition and in so far as the alteration or addition was separable, *vis-a-vis* the requirements, from the structure as a whole.

The Bill proposed to give effect to the above proposals.

The Committee informed the European Group in the Central Legislature that the Bill was eminently desirable and should receive the full support of the Group. The Bill was passed by both Houses in March 1939 and received the assent of the Governor General on the 28th of the month.

SUBSIDY ON AMERICAN COTTON.

In May 1939 press reports indicated that the Government of the United States of America were proposing to sanction a subsidy on exports of American cotton. The subsidy came into operation from the 27th of July 1939 and will remain in force until the 30th of June 1940.

STANDARD CONTRACTS FOR WHEAT AND LINSEED.

(*See Reports* 1936, *page* 222 ; 1938, *page* 168.)

At the request of the Minister for Agriculture, Bombay, the Committee nominated Mr. C. J. Damala and Mr. J. Greenwood to attend a meeting which was held on the 4th of April 1939, with the object of bringing about the general adoption of the all-India Standard Contracts for wheat and linseed which had been drawn up as a result of three all-India Conferences which had taken place between 1936 and 1938 at Delhi. These standard contracts had met with a large measure of agreement and were in fact being operated by a number of important trade associations in India. The position in Bombay was that while "futures" contracts in wheat and linseed were being conducted on the basis of the all-India standard contracts, the trade in actuals or delivery contracts was still being carried on the old basis which differed in some material respects from the new standard contract terms.

From the discussions which took place it appeared that the Grain Merchants' Association were unable to agree to the standard contract, particularly as regards the unit

of weight and quotation. It was contended that the hundredweight should remain the unit in both instances as it was felt that the maund of 82 2/7 lbs. would not be practicable. The Hon'ble Minister whilst admitting that he could not express an opinion on the merits of one basis against another, stated that he was convinced that uniformity was highly desirable and unless the Bombay Associations could agree among themselves, there would have to be some form of legislation to enforce uniform terms. The following two suggestions were put forward on behalf of the Chamber :—

1. Whereas previously there was uniformity in Bombay, there now existed two bases and this should be remedied as soon as possible.

2. Although uniformity in one market was necessary and a standard contract for all-India might be evolved, there was no reason why small differences should not exist necessitated by the different conditions applying to the major markets.

SAMPLING OF LINSEED.

In October 1939, the Agricultural Marketing Adviser to the Government of India referred the Chamber to the question of a standard method for the sampling of linseed which was discussed at the Grain and Oilseeds Conference held at Delhi in 1937 and 1938, and recalled that on the basis of the results of a few tests carried out till then, the scoop method was reported to be the best at the 1938 Conference.

In order to have more reliable and conclusive evidence as to the relative merits of the three methods of sampling viz., by scoop, hand and boma, arrangements were made to draw a larger number of samples by each of the three methods and have them analysed for various items of refraction. Samples in triplicate were accordingly drawn by each of the three methods from ten lots of linseed and the results obtained were examined statistically by the Imperial Council of Agricultural Research and the variances due to " between lots " and " within lots " had been determined

to find out which of the three methods gave the most consistent results. A summary of the Statistician's conclusions is given below :—

"Of the three factors examined, foreign matter % and damaged seeds % gave low sampling errors. The lots in all the cases showed significant variation. Of the three methods, on the basis of these data, 'Boma' seems to be the best."

The Boma method was therefore recommended for uniform adoption by the trade.

Members interested in the sampling of linseed agreed that the 'Boma" was the best method.

STANDARD CONTRACTS FOR HAND-PICKED GROUNDNUTS.

In December 1938 the Chamber was requested by the Agricultural Marketing Adviser to the Government of India to nominate representatives to attend a conference in Bombay on the 10th of January 1939 to adopt uniform grades for hand-picked groundnuts. As India's export trade in hand-picked groundnuts had assumed increasing importance in recent years it appeared desirable to put it on a proper basis by adopting uniform grades in place of the different grades existing at the moment.

The Committee nominated Mr. C. J. Damala and Mr. L. Moss or alternatively Mr. J. Greenwood to attend the conference.

The terms for the standard contract for hand-picked groundnuts as agreed to by the conference are reproduced in the Appendix.

IMPROVEMENT OF AGRICULTURAL MARKETING IN INDIA.

GROUNDNUT STANDARDS.

(*See Report* 1938, *page* 165.)

It was recorded in the Chamber's Report for 1938 that at a conference which was held in Bombay in September 1937 between representatives of associations and mills

dealing in groundnuts and the Agricultural Marketing Adviser to the Government of India, it was pointed out that the acreage under groundnuts in India had increased by more than ten times in the last 40 years during which time new varieties and new methods of decortication had been introduced. This had involved the introduction of new contract terms from time to time and there was at the moment considerable variation in the terms of existing contracts. In view of these conditions, the necessity of having a standard contract was stressed not only for the benefit of the trade, but in order that the charges and deductions to which the producer was liable might be as uniform and low as possible so that he might get the maximum return for his crops. It was suggested that there should be four standard contracts for four standard types based on the size of the kernels. After circulating the papers amongst members interested, the Chamber offered certain suggestions to the Agricultural Marketing Adviser.

In December 1938 the Agricultural Marketing Adviser requested the Chamber to nominate representatives to an informal conference on the 13th January 1939 in Bombay regarding the terms of standard contracts for groundnuts.

Mr. C. J. Damala and Mr. L. Moss or alternatively Mr. J. Greenwood were nominated to represent the Chamber.

The Proceedings of the Conference which were published in June 1939, give the terms of the standard contract for six types of groundnuts. These are reproduced in the Appendix.

INDIAN TEA CESS ACT, 1903.

Proposed enhancement of the rate of Cess on Tea exported from India.

In January 1939 the Government of India, Department of Commerce, forwarded for the views of the Chamber and of the Associated Chambers of Commerce of India a copy of a letter that had been received from the Indian

Tea Market Expansion Board in which that body suggested that the rate of cess leviable on Indian tea exported from India should be raised from Rs. 1-4 to Rs. 1-6 per 100 lbs. and that the increased rate might be brought into force as soon as possible.

The Committee informed the Government of India that they had no views to express in opposition to the proposal. The same opinion was expressed by the Associated Chambers.

The following Notification No. 311(1)-Tr.(I.E.R.)/39, dated the 18th March was issued by the Government of India, Department of Commerce :—

"In exercise of the power conferred by sub-section (1) of section 3 of the Indian Tea Cess Act, 1903 (IX of 1903), the Central Government, on the recommendation of the Indian Tea Market Expansion Board, is pleased to prescribe that the rate of the customs duty to be levied and collected on tea produced in India and exported from any customs port to any port beyond the limits of British India shall be Rupee one and annas six per hundred pounds."

The following further Notification No. 218(1)-Tr. (I.E.R.)/39, dated 1st April 1939 was issued by the Government of India, Department of Commerce :—

"In pursuance of clause (*a*) of sub-section (1) of section 22 of the Indian Tea Control Act, 1938 (VIII of 1938), and in supersession of the Notification of the Government of India in the Department of Commerce No. 218 (1)-Tr. (I.E.R.)/38, dated the 1st April 1938, the Central Government is pleased to direct that with effect from the 1st April 1939 the rate of licence fee levied by the Indian Tea Licensing Committee for an export licence, special export licence or permit issued by it shall be annas ten per one thousand pounds of tea or part thereof covered by such licence or permit."

CONTROL AND DISTRIBUTION OF FODDER AND GRAIN.

On the 12th of August 1939 the Governor of Bombay issued an Ordinance to provide for the control and distribution of fodder and grain including the regulation of

prices thereof in the Province of Bombay. A statement appended to the Ordinance read as follows :—

" For nearly six weeks there has been practically no rain in some parts and the state of the crop and the depletion of the existing fodder stocks in various parts of the Province have been causing grave anxiety. The distress caused by scarcity of fodder is acute and the cattle are reported to be dying. There has been a great demand for fodder and grain in areas where it is available and heavy speculation is being carried on resulting in an abnormal rise in prices accentuating distress. It is therefore necessary immediately to control the prices both of fodder and grain and to stop the removal of the existing stocks from areas affected. Power has accordingly been taken to notify suitable areas and fix standard prices, all contracts in contravention of the terms of the Ordinance being unenforceable in law. Steps are being taken to introduce legislation on the same lines as the Ordinance as soon as the Legislature meets, but that course in any event would mean the delay of some days. This delay would, it is apprehended, lead to heavier speculation and consequently greater distress in the afflicted areas and render the effect of legislation largely nugatory."

Owing to an apparent misunderstanding of the Ordinance the Collector of Customs stopped the loading in the Docks of oilcake, oilcake meal and linseed. As this action caused a considerable amount of inconvenience to exporters and steamer agents, the following telegrams were exchanged between the Revenue Department at Poona and the Chamber :—

From the Chamber :

" Exporters and Steamer Agents much disturbed Port Trust on orders of Collector stopped loading oilcake meal, oilcake, linseed in all steamers for foreign destinations. Consider action not in conformity with Ordinance, request urgent instructions be given Collector so that steamers may resume loading early Monday morning."

From the Revenue Department :

" Necessary orders have been issued Collector of Bombay regarding export oilcake."

Subsequently a Bill was published by the Government of Bombay (Bill No. XXXI of 1939), to replace the Ordinance, which was a temporary measure and could not remain in force for a period longer than that provided by law.

The Bill, however, did not come up for consideration by the Legislature.

EMPIRE ECONOMIC BROADCAST BULLETINS.

In December 1938 the Federation of Chambers of Commerce of the British Empire informed the Chamber that they had been requested by the Imperial Economic Committee to obtain the views of federated Associations and Chambers overseas upon the value of the economic bulletins which were broadcast by the British Broadcasting Corporation in the Empire programmes, on such articles as oilseeds, skins, wool, cotton, grain and sugar. The Imperial Economic Committee explained that this broadcast service was intended primarily for producers, especially those who lived at a distance from centres of population, and aimed at keeping them punctually and regularly posted with the most up-to-date news of their chief market.

The points on which the Committee desired to have information were :—

(1) Were these broadcast bulletins considered to be of value to the producers whom they aimed to serve ?

(2) Were they of value or interest to others, e.g., associations or firms ?

(3) Did they cover the ground adequately or could they be improved so as to enhance their value, if so, how ?

After obtaining the views of members interested in the above-mentioned articles, the Committee informed the Federation of Chambers of Commerce of the British Empire that while they were in favour of the principle of such a service which they considered fully justified its retention, they had no specific suggestion to offer for the improvement of these broadcasts.

The following replies were however put forward by the Associated Chambers to the three questions set out above :—

1. Yes : Definite evidence was available of the value of the broadcasts to producers throughout India, for example cotton producers in the Punjab and coffee and rubber plantation interests in South India.

2. While it was difficult to assess accurately the value to general listeners and those who received prompt market information through ordinary commercial channels, the broadcasts were of interest to

Associations, firms, factory and plantation managers, etc., who were situated in districts where immediate access to *Reuter's* telegrams and press reports was not easy.

3. (*a*) The Bulletins included in the transmissions intended for Indian listeners should be extended to include Tea, Cotton, Wheat, Rice, Groundnuts and Groundnut Cake; (*b*) the Bulletins should be broadcast daily instead of weekly, or at any rate more frequently than hitherto; (*c*) their value should be enhanced if, subject to the time limitation, they were to include more details; and (*d*) the Economic Broadcast Bulletins should form part of the market reports instead of being appended to the general news.

ALLEGED FRAUDULENT STAMPING OF COTTON PIECEGOODS, ETC., MANUFACTURED BY CERTAIN INDIAN MILLS.

(*See Report* 1938, *page* 58.)

In May 1939, the Public Relations Officer issued a Press *communique* intimating that it had been brought to the notice of the Government of Bombay that products of some Indian cotton mills were not properly or correctly stamped within the tolerances permitted under the Bombay Weights and Measures Act, 1932, with the result that customers were deceived as to dimensions of the cloth they purchased. It was necessary to put a stop to such malpractices and it was hoped that merchants and buyers would co-operate with Government in exposing them. It was requested that cases of such incorrect stamping of cotton piecegoods should be reported in writing to the Director of Industries, Bombay, so that suitable action might be taken. Government was also informed that spinning mills had adopted the practice of short reeling of skeins or of reducing the length contained in a hank and were substituting yarn of a coarser count than that marked on the bundle. The spinning mills were warned that such malpractices amounted to a "false trade description" and that those responsible for them were liable to prosecution under section 6 of the Indian Merchandise Marks Act, 1889. Dealers in yarn were also warned that they should see the correct count was marked on the label of each bundle before

yarn was sold to handloom weavers lest they should become liable under section 7 of the Indian Merchandise Marks Act, 1889. The word "hank" was taken to mean, so far as "grey yarn" was concerned, a measure of 840 yards and was a "trade description" of that measure and that measure only and any deflection beyond the limits of variation in the standard length as allowed in the rules, if deliberate, would be an offence under the Indian Merchandise Marks Act, 1889, and the Indian Penal Code. The standard measure for yarn was the relation of length to weight which was known as the count. The unit of count was 1 hank to 1 lb. and a count was the number of hanks of 840 yards required to make up a pound weight of yarn. In the make up of yarn in bundles the number of hanks and knots should have a definite relationship to the count and weight and any variation from the statutory length of the hank except as provided for in the rules under the Indian Merchandise Marks Act, 1889, would constitute a false trade description. Such malpractices when detected by the merchants and buyers might also be reported for necessary action to the Director of Industries, Bombay, who had been directed by Government to institute prosecutions against those who infringed the provisions of the law in this respect. Government hoped that these illegal practices would cease.

COTTON YARN TRADE.

Modification in Existing Scale of Tolerances and Allowances in respect of Counts, Length of Hanks, Etc.

(*See Report* 1938, *page* 55.)

In February 1939 the Director of Industries, Bombay, informed the Chamber that in view of a representation that had been received from certain commercial bodies connected with the textile trade, the Government of India had under consideration the question of modification of the scale of allowances and tolerances for cotton yarn laid down in the Government of India, Home Department, Notification

No. 1474, dated the 13th November 1891 (reproduced in Part II of the Merchandise Marks Manual). The scales of allowances for cotton yarns were laid down in respect of (*a*) variations in counts, (*b*) weight of bundles, (*c*) length of hanks, (*d*) the number of knots per bundle.

The Chamber was requested to furnish Government with its views as to what precise modifications were needed in the existing allowances and tolerances as laid down in the Government of India Notification referred to above and in rule 41 in Part III of the Merchandise Marks Manual which laid down conditions regarding the make up of cotton yarn.

After referring the matter to the Import Sub-Committee, the Committee informed the Director of Industries that this question had received the consideration of this Chamber in consultation with the Manchester Chamber of Commerce particularly in connection with the suggestion that the Indian Merchandise Marks Act and Manual should be amended to provide for (*a*) the count of yarn and (*b*) the net weight in pounds of the yarn in the bundle being stamped on all grey and bleached yarn bundles, other than yarns made wholly from waste marketed in India.

The Committee were of opinion that it should be made compulsory for the weight and count of yarn in the grey state to be stamped on the bundle. In the case of processed yarn, however, they felt that to stamp the weight would be misleading and unwise and they accordingly urged that in such cases marking with the count of yarn only should be obligatory. A suggestion had been put forward that in regard to grey yarn the unit of test should be a bundle with a tolerance of 5 per cent., the count being estimated in true condition, that is to say, with a normal moisture content of 8½ per cent. The Committee stated that they were opposed to this suggestion, as they considered that a bundle was too small to be regarded as a unit of test. They saw no objection to the existing stipulation that 1 per cent. of the total number of hanks in the consignment should be

regarded as the basis for test. They added that a further suggestion that had been made was that the marking of grey count should be made compulsory and a 10 per cent. variation in count should be permitted with the bundle as the unit of test. The Committee agreed with the first part of this suggestion, but in this case also, were opposed to a " bundle " being regarded as the unit of test.

A suggestion had been made that yarn bundles should be standardised at 5 and 10 pounds, or in the alternative, that the following variations should be recognised between standard weights and actual weights with the yarn in true condition, i.e., 8½ per cent. moisture content.

On counts 16's and above—

1-oz. on bundles not exceeding 5 lbs. in weight, and
2-oz. on bundles exceeding 5 lbs. in weight.

On counts below 16's—

2-oz. on bundles not exceeding 5 lbs. in weight, and
4-oz. on bundles exceeding 5 lbs. in weight.

The Chamber was not in favour of this suggestion, since as spinners were bound as to length, counts and condition of yarns, no useful purpose would be served by making this amendment.

As regards bleached yarn, the Committee were in favour of the compulsory stamping of grey weight and they considered that the existing tolerances in excess of described weight over actual weight should remain in force.

In the Merchandise Marks Manual it was laid down that the average length of the whole number of single hanks in a bundle of grey or bleached yarn should not be less than 840 or 819 yards, respectively, in the case of single hanks and 1,680 or 1,638 yards in the case of double hanks. It had been suggested that a tolerance in average length of 10 yards per single hank and 20 yards per double hank should be permitted. This suggestion the Chamber supported.

In conclusion the Committee stated that commercial associations would appreciate an opportunity of expressing their views upon any modifications of the Merchandise Marks Act and/or Manual which Government might propose to make, before such modifications were finally adopted and published.

RULES OF THE LIVERPOOL WOOL BROKERS' ASSOCIATION.

In December 1938 the Director-General of Commercial Intelligence and Statistics advised the Chamber that he had been informed by the Indian Trade Commissioner, London, that according to a rule of the Liverpool Wool Brokers' Association, members were debarred from corresponding direct with shippers of wool in India. This had caused some inconvenience and expense to some of the exporters of wool from India.

The Director-General enquired whether in the view of the Chamber shippers of wool in general had really experienced any difficulty and whether this restriction had been causing any inconvenience to those who traded in wool.

After obtaining the views of members interested in the wool trade, the Committee informed the Director-General that shipments of wool from India for sale at the Liverpool auctions were financed by firms here who also had offices in London and the wool was consigned to those offices for sale at the auctions in Liverpool. It stood to reason therefore that all instructions for the sale of wool consignments must come through the offices in India who had advanced money on the wool to the actual consignors up-country. These advances were made either before shipment or at the time of shipment of the wool from India. The Committee added that if the up-country consignors were permitted to correspond direct with the Liverpool Wool Brokers' Association instead of through the offices

who had advanced money to them, endless confusion would result. There were a few up-country wool merchants, but only the minority, who periodically wrote letters to the brokers in Liverpool praising the qualities of the consignments they had sent through such and such offices, and asking that the brokers would give their special attention to those consignments. The same merchants also wrote occasionally to the brokers asking for their views on market prospects. All such letters were answered by the brokers to the offices in London of the financing houses in India and the brokers' replies were invariably passed on through these channels to the merchants concerned. Actually the sending of such enquiries direct to the Liverpool Brokers served no useful purpose as the offices concerned kept all their constituents in this country constantly and fully advised of market conditions and prospects.

The Committee were therefore of opinion that the rule of the Liverpool Wool Brokers' Association caused no inconvenience whatever to those who traded in wool in India, and moreover that it was a very necessary rule for the good conduct of the business.

ARBITRAL AWARDS IN COMMERCIAL CONTRACTS.

(*See Reports* 1923, *Vol. I, page* 219 ; 1928, *Vol. I, page* 239 ; 1936, *page* 239 ; 1937, *page* 225 ; 1938, *page* 181.)

It was recorded in the Report for 1938 that the Chamber had addressed the Registrar, High Court, Appellate Side, on certain rules in connection with arbitral awards in commercial contracts made by the Calcutta High Court under Section 10 of the Arbitration (Protocol and Convention) Act, 1937, and which it was proposed to introduce for the Bombay High Court.

In February 1939 the Prothonotary and Senior Master, Bombay, forwarded to the Chamber a copy of the following Notification No. 115, dated 9th February 1939 issued by

the Bombay High Court under the Arbitration (Protocol and Convention) Act, 1937 :—

No. 115.—In exercise of the powers conferred by Section 10 of the Arbitration (Protocol and Convention) Act, 1937 (VI of 1937), and with the previous approval of His Excellency the Governor of Bombay under Section 224 of the Government of India Act, 1935 (25 and 26, Geo. 5, Ch. 42), the Honourable the Chief Justice and Judges are pleased to direct that the following rules be added under the heading "The Arbitration (Protocol and Convention) Act, 1937," in Chapter XXIII at page 91 of the Rules and Forms of the Bombay High Court, Original Side, 1936 :—

The Arbitration (Protocol and Convention) Act, 1937.

386-A. *Title of applications, etc.*—All applications, affidavits and proceedings under the Act shall be intituled in the matter of the Act, and in the matter of the arbitration.

386-B. *Mode of application.*—Applications under Sections 3 and 5 of the Act shall be made by petition which shall be presented to the Honourable the Sitting Judge in Chambers.

386-C. *Contents of petitions.*—Every petition shall be divided into paragraphs, numbered consecutively and shall contain in a summary form a statement of the material facts relied on, and the nature of the relief asked for, and shall specify the persons liable to be affected thereby.

386-D. *Stay of proceedings under Section 3 of the Act.*—Upon an application for stay of proceedings under Section 3 of the Act being filed, the Court shall direct notice to be given to the party or parties to the legal proceedings, other than the applicant, requiring him or them to show cause, within a time specified, why the order should not be made, unless the Court is satisfied that the object of the application would be defeated by the delay occasioned by the notice.

386-E. *Documents to be produced with petitions.*—The party seeking to enforce a foreign award shall produce with his petition :—

(*a*) the document specified in Section 8 (1) of the Act and, where such document is in a foreign language, the translation thereof into English certified in the manner prescribed in sub-section (2) of the said Section 8 ;

(*b*) the original agreement for arbitration or an authenticated copy thereof and, when the same is in a foreign language, the translation thereof into English certified in the manner prescribed in sub-section (2) of the said Section 8 ;

(*c*) an affidavit or affidavits showing (1) that the said agreement was valid under the law by which it was governed, (2) that the award was made by the tribunal provided for in the agreement or constituted

in the manner agreed upon by the parties, (3) that it was made in conformity with the law governing the arbitration procedure and (4) that it has become final in the country in which it was made ; and

(*d*) other document or documents in support of his application.

386-F. *Procedure to be followed in cases of non-production of documents with petition.*—If the application under Section 5 of the Act be presented without the document specified in rule 386-E (*a*) above, it shall forthwith be returned to the party presenting it. If such application is unaccompanied by the documents specified in rule 386-E (*b*) and (*c*) above, the Chamber Judge may allow time within which such documents must be filed.

386-G. *Execution of decrees and orders.*—The provisions of the Code of Civil Procedure and the Rules and Forms of this Court relating to execution of decrees and orders shall, *mutatis mutandis*, be applicable to the execution of decrees and orders under the Act.

386-H. *Fees payable on proceedings.*—The fees in respect of proceedings under the Act shall be according to the Table of Fees for the original Side of the Court, so far as the same are applicable.

The Chamber had suggested to the Registrar, High Court, Appellate Side, that the following additional rule might be inserted :—

" All facts required to be proved by the party seeking to enforce a foreign award may, unless the Court otherwise directs, be proved by affidavits."

In forwarding to the Chamber a copy of the above notification the Prothonotary stated that Their Lordships did not consider it necessary to incorporate such a rule as it was clear from rule 386-E (*c*) that all facts required to be proved by the party were to be proved by affidavits.

CIVIL PROCEDURE CODE.

Execution of Foreign Judgments.

At the annual general meeting of the Associated Chambers of Commerce of India held in December 1938 the following resolution was carried unanimously :—

" This Association invites the attention of the Governments of India and Burma to the long delay in completing reciprocal arrangements between the two countries under Section 44A of the Civil Procedure Code, whereby the decrees of superior courts in India would be enforceable in Burma without the necessity of obtaining fresh

decrees in the Burma courts and *vice versa*. The Association recommends the two Governments to take immediate steps to complete the necessary arrangements and bring them into force."

The terms of the resolution and the report of the discussion which preceded its adoption were duly communicated to the Government of India, Home Department.

The following reciprocal notifications were issued by the Government of Burma No. 141 and the Government of India No. 286-36 on the 7th and 27th of March 1939 respectively :—

(1) Whereas the Code of Civil Procedure (Amendment) Act, 1937 (India Act VIII of 1937), has been brought into force in British India by a notification by the Government of India with effect from the 19th November 1938 :

And whereas the Governor of Burma is satisfied that the Government of India have agreed to declare British Burma to be a reciprocating territory and the High Court of Judicature at Rangoon and all District Courts in Burma to be superior courts for the purposes of Section 44A of the said Code :

Now, therefore, the Governor of Burma declares British India to be a reciprocating territory and the following Courts of British India to be superior courts for the purposes of Section 44A of the Code of Civil Procedure, that is to say :—

(*a*) The High Courts in Calcutta, Madras, Bombay, Allahabad, Lahore, Patna and Nagpur, the Chief Court in Oudh, the Judicial Commissioner's Courts in the North-West Frontier Province and in Sind, any other Court in British India constituted or reconstituted under Chapter II of Part IX of the Government of India Act, 1935, as a High Court and any other comparable Court in British India which His Majesty in Council may declare to be a High Court for the purposes of that Act.

(*b*) All District Courts.

(*c*) All other Courts whose civil jurisdiction is subject to no pecuniary limit, provided that the judgment sought to be filed under the said section is sealed with a seal showing that the jurisdiction of the Court is subject to no pecuniary limit.

(2) In exercise of the power conferred by *Explanation* 2 to Section 44A of the Code of Civil Procedure, 1908 (Act V of 1908), the Central Government is pleased to declare British Burma to be a reciprocating territory, and the High Court of Judicature at Rangoon and all District Courts in British Burma to be superior courts, of that territory for the purposes of the said section.

BILL TO AMEND THE LAW RELATING TO ARBITRATION.

(*See Reports* 1923, *Vol. I, page* 219 ; 1926, *Vol. I, page* 239.)

In July 1939 a Bill to consolidate and amend the law relating to arbitration in British India was published and was introduced during the Simla Sessions of the Assembly.

The law of arbitration in British India was, at the moment, substantially contained in two enactments, the Indian Arbitration Act, 1899 (IX of 1899), and the second schedule to the Code of Civil Procedure, 1908. The operation of the 1899 Act was limited to the Presidency towns and to such other areas to which it might be extended by the appropriate Provincial Government : its scope was confined to "arbitration by agreement without the intervention of a Court." The second schedule to the Code of Civil Procedure dealt with arbitrations outside the operations and scope of the former Act : it related for the most part to arbitration in suits, though arbitration without intervention of a Court was also briefly provided for. This schedule also contained an alternative method whereby the parties to a dispute or any of them might file their arbitration agreement before a Court which after a certain procedure, referred the matter to an arbitrator.

The question of amending and consolidating this law was not new. The Civil Justice Committee in 1925 recommended several changes in the arbitration law. In 1938 the Central Government placed an officer on special duty to examine the question, and the Bill under reference was the outcome of this examination. The existing law, the amended English Law and the recommendations of the Civil Justice Committee had been scrutinised together and the Bill, which sought to consolidate and standardise the law relating to arbitration throughout British India, in its detail, extracted from the sources referred to, those principles of law which, it was considered, were most suitable to British India.

After consulting the Chamber's solicitors the Committee submitted the following comments on the Bill to the Government of India, Commerce Department, the Provincial Government and the Associated Chambers:—

Clause 9 (*b*).—This clause dealt with the power to appoint a new arbitrator or in certain cases a sole arbitrator and in the sub-clause certain eventualities were referred to which were dependent on the "receipt of a notice in writing to make the appointment from the other party." The Committee considered that there was the possibility that an individual wishing to obstruct arbitration proceedings might deny receipt of notice, and they were of opinion that this danger should be covered by the following phrase :—

"The time required for a registered letter to be delivered at his last known place of residence or business."

Clause 17 provided that a judgment was to be pronounced after the time for making application to set aside the award had expired and then a decree was to follow. The Committee were unable to find anywhere in the Bill any provision as to what was the period within which an application to set aside an award must be made. In the absence of such period being fixed they did not see how under this clause the time was to be determined at which the Court was to pronounce judgment. It might be intended that this point should be covered by rules of the Court, but they considered that this was a point which should be elucidated and dealt with, otherwise, when the Act came into force serious difficulty might be found in enforcing awards.

Clause 29 confined the power to the Court alone of extending the time for making an award. It was considered that it was important, provided both the principals to the arbitration suit and the arbitrators desired to enlarge the time for making the award, that they should be permitted to do so without application to the Court.

Clause 47 stated that any arbitration award obtained otherwise than under the provisions of the Act should not be enforceable. There were many cases where an arbitration was made subject to the existing Arbitration Act or to some set of arbitration rules, such as the Chamber's Arbitration Rules. It was feared that this section as drawn up might render it impossible for the arbitration rules of such bodies as this Chamber to provide anything additional to or different from the provisions of the Act. The Committee therefore considered that it should be made clear that this clause was not to have the effect of overriding provisions in the arbitration agreements or sets of arbitration rules which were additional to or not inconsistent with the provisions of the Act.

The Bill came before the Assembly on the 5th September 1939 and was referred to a Select Committee on which the European Group was represented by Mr. C. C. Miller.

CHARGES UNDER C.I.F. CONTRACTS.

Members were circularised in April 1939 in order to obtain their views as to the custom of the trade in Bombay in regard to the following matter.

In the case of a quotation for goods by an exporter from India c.i.f. European port, are the charges which the exporter has to incur for obtaining the necessary certificates of origin, veterinary certificate and consular endorsement included in this quotation on the seller's account, or are they recoverable from the importer as additional expenses to the c.i.f. quotation ?

In 1929 the Associated Chambers of Commerce of India were consulted by the British National Committee of the International Chamber of Commerce in regard to the interpretation of certain trade terms in this country. It was agreed at that time that the term c.i.f. implied that the seller was under an obligation to " hand to the buyer or his agent a clean bill of lading for named destination

port, a marine insurance policy or a negotiable insurance certificate and a certificate of origin if required by the customs regulations of the receiving country." This definition was embodied in the International Chamber's publication entitled "Trade Terms" and was published in 1929.

However according to the International Chamber publication of 1936 "Incoterms" a seller must provide the buyer, at the latter's request and expense, with the certificate and the consular invoice.

From the replies received to the Chamber's circular letter it was found that opinions were equally divided as to the liability for the payment of the above charges.

In order to arrive at a definite ruling on this question the Committee enquired of the Bengal Chamber as to the practice prevailing in that province. In reply the Bengal Chamber stated that although there was no uniformity of practice which would justify a general ruling in the matter, the buyer was ordinarily expected to meet consular fees and charges for documents such as certificates of origin and veterinary certificates failing any arrangement to the contrary as between the individual seller and his buyer.

As the above statement also set out the position prevailing in Bombay, members were duly advised to that effect.

In view of the fact that the definition in "Incoterms" expressed more correctly the practice existing at the moment in Bombay and Calcutta and probably throughout India the position was brought to the notice of the International Chamber of Commerce by the Associated Chambers.

BURSTING OF THE MONSOON.

On the 7th July 1939, the Meteorologist, Bombay, informed the Chamber that the south west monsoon burst over Malabar on the 4th June and over Bombay Town on the 9th June 1939.

WEATHER WORKING DAYS DURING 1939.

The following days during the monsoon months of 1939 were declared to be half or non-weather working days for steamers in the Docks :—

Saturday, 1st July 1939, Non-weather working day.
Thursday, 6th July 1939, Half-weather working day.
Friday, 7th July 1939, Non-weather working day.
Saturday, 8th July 1939, Non-weather working day.
Tuesday, 11th July 1939, Non-weather working day.
Thursday, 24th August, 1939, Half-weather working day.
Friday, 25th August 1939, Non-weather working day.
Saturday, 26th August 1939, Half-weather working day.
Wednesday, 20th September 1939, Non-weather working day.

The Deputy Conservator of the Port, in consultation with a representative of the Chamber, decided that the following days were half or non-weather working days for vessels working in the stream :—

Saturday, 1st July 1939, Non-weather working day.
Thursday, 6th July 1939, Half-weather working day.
Saturday, 8th July 1939, Half-weather working day.
Wednesday, 20th September 1939, Half-weather working day.

ST. GEORGE'S HOSPITAL.

(*See Report* 1938, *page* 210.)

It was recorded in the Chamber's Report for 1938 that Government had intimated their desire to call a conference in order to consider the question of closing St. George's Hospital.

In December 1938 the Chamber was requested to nominate a representative to attend a conference, which was called by the Hon'ble Minister for Health for the 5th January 1939. Mr. G. H. Cooke was nominated as the Chamber's representative.

At the conference the Minister for Health stated that there were two reasons why the Government of Bombay were considering the closing of St. George's Hospital.

The first reason was that Government were of opinion that no hospital which gave medical treatment to those

members of the community who could afford to pay for such treatment, should be maintained wholly or partially by Government funds. The second reason was that it cost more to provide medical treatment at St. George's Hospital than it did to provide the equivalent treatment at other hospitals in the city.

The Minister for Health intimated that he would furnish the delegates from the various communities and associations who waited upon him with a statement of the policy of Government together with a table of comparative figures of costs relating to the J. J. and G. T. Hospitals.

In order to facilitate the compilation of these figures on a basis which would show a true comparison the Chamber addressed a letter to the Surgeon-General with the Government of Bombay and requested him to furnish the following information.

1. A statement of expenditure and revenue for the year 1937-38 for both the J. J. and G. T. Hospitals.

2. A statement of expenditure at the J. J. and G. T. Hospitals for the year 1937-38 showing the following details :—

The total expenditure on the hospitals, including Rs. for upkeep and repairs, was .. Rs.
In this was included the expenditure borne by the Nursing Association .. .. .. Rs.
Leaving Government to provide .. .. Rs.
The 1937-38 receipts from all sources were .. Rs.
The nett cost of the hospital to Government was therefore .. .. Rs.

3. An estimate of the value of the site on which St. George's Hospital stood.

4. The book value of the land and buildings of St. George's, G. T. and J. J. Hospitals.

5. Whether the land on which St. George's Hospital stood was mortgaged to the Government of India ? If so, for what sum was it mortgaged and what was the rate of interest paid on such mortgage ?

6. Had the buildings comprising St. George's Hospital any value for purposes other than a hospital—

(*a*) If so, for what purpose and for what value ? and
(*b*) If not, what was the scrap value of the buildings ?

7. A statement showing the total saving which Government estimated could be made by the closing down of St. George's Hospital.

8. Details of arrangements, together with estimates of the cost, which it was intended would be made for the treatment of:

(*a*) European Government Servants.

(*b*) Seamen of European habits of life.

(*c*) Other Europeans, Anglo-Indians, and persons of European habits of life who were not well-to-do.

(*d*) *Dufferin* cadets.

(*e*) Emergency accident cases that occurred to persons of European habits, both well-to-do and not well-to-do, in Bombay and those from up-country who were sent down to Bombay because Hospital facilities did not exist for them up-country. Appendix and other surgical emergencies, broken limbs, car accidents.

(*f*) Tourists and passengers who might arrive at the port by rail or ship and who were persons of European habits of life.

(*g*) Emergency maternity cases of persons of European habits of life.

(*h*) Provision of a Mortuary for persons of European habits of life who were found dead in the streets or in the harbour and who were at the moment sent to St. George's Hospital Mortuary by the police.

(*i*) Provision for persons of European habits of life suspected to be lunatics who were at the moment sent to St. George's Hospital for confinement in the accommodation available there pending certification or release orders from the Commissioner of Police.

(*j*) Anti-venereal treatment for persons of European habits of life.

(*k*) What it was proposed should be done in the event of epidemics or infectious diseases, which were not normally admitted to the Arthur Road Hospital, occurring in children's boarding schools amongst children of European habits of life? Measles, Diphtheria, etc.

9. What was the number of hospital beds in Bombay?

10. What would be the cost of opening a number of beds elsewhere equivalent to the number it was proposed to close in St. George's Hospital?

11. What arrangements had Government in view for the disposal of the nursing staff of St. George's in the event of the Hospital being closed.

12. Had Government in view any arrangements to provide another training centre for nurses in lieu of that which would be abolished if St. George's was closed?

13. What was the incidence of the pension charges per bed-day during the last financial year for which accounts were available: (*a*) St. George's; (*b*) Jamsetjee Jeejeebhoy and (*c*) Goculdas Tejpal Hospitals.

No reply was received to this letter until July 1939 when the Government of Bombay stated that owing to the method of keeping accounts it was not possible to have the figures in the form required by the Chamber unless all the accounts were to be re-written. As regards questions Nos. 11 and 12 Government stated that the nurses who had not finished their training at St. George's Hospital would be allowed to finish it at the J. J. Hospital on the same terms and conditions as pupil nurses at the latter hospital. Qualified nurses who were on the stipendiary staff of St. George's Hospital would, so far as vacancies were available, be absorbed at the J. J. Hospital provided they agreed to the terms applicable to that hospital. Others would be given sufficient notice. No other training centres would be opened, but the increase of beds would necessarily mean an increase in the number of nurses undergoing training.

From the above it would be seen that Government made no attempt to reply to questions 3 to 10, and as the Committee considered the reply unsatisfactory a further letter was submitted to the Government of Bombay in July 1939 suggesting that the accounts should be re-taken out in order to establish whether or not a saving would be effected by the closing down of the Hospital. Further, the Committee drew attention to questions Nos. 3, 5, 7 and 8 and expressed the hope that Government would be good enough to supply the information asked for.

In October 1939 the Bombay Ministry resigned office and in December the Chamber was advised by Government that in the existing circumstances further consideration of the question of closing St. George's Hospital had been suspended.

VERNACULAR EXAMINATIONS.

(See Reports 1931, *Vol. I, page* 321 ; 1932, *page* 299 ; 1933, *page* 333 ; 1935, *page* 235 ; 1938, *page* 197.)

It was recorded in the Report for 1938 that in March of that year the Government of Bombay asked for the views of the Chamber regarding certain proposed changes in the text books used for the examination in Hindustani of assistants of banks, mercantile firms, etc.

The Committee informed Government that they saw no objection to the proposed changes provided the new text books did not materially alter the standard of proficiency required from candidates for the examination.

In August 1938 the Government of Bombay forwarded to the Chamber a copy of the revised rules for examination in Hindustani. These revised rules came into force on the 1st of October 1938 and were placed at the disposal of members interested.

Subsequently Government advised the Chamber that the following sub-paragraph had been added to rule 3 of the Rules for examination in Hindustani :—

" The fee once paid will in no case be refunded or held over to the next examination unless the candidate intimates to the Secretary, Bombay-Sind Public Service Commission, his decision not to avail himself of the examination at least 15 days before the examination."

In June 1939 the Karachi Chamber drew this Chamber's attention to a letter addressed to several Chambers of Commerce on the subject of vernacular examinations by Mr. Kishinsingh H. Vaswani, Gazetted Teacher of Hindustani and Sindhi, Karachi. The letter pointed to the lack of uniformity which was to be found in the text books for the lower and higher standard vernacular examinations of European Assistants.

The Karachi Chamber of Commerce stated that they felt that uniformity in the syllabi throughout India was desirable. The Committee informed the Karachi Chamber that they were in agreement with this view.

INDIAN ACCOUNTANCY BOARD.

(*See Report* 1938, *page* 42.)

In the Chamber's Report for 1938 a reference was made to a tentative scheme put forward by the Government of India for the introduction of the elective principle into appointments to the Indian Accountancy Board.

In March 1939, the Government of India, Department of Commerce, published for the views of persons interested a draft of certain amendments to the Auditors' Certificates Rules, 1932, the object of which was to bring into effect the elective principle.

After referring the question to members interested, the Committee informed the Government of India that they saw no objection to the proposed amendment.

The rules were finally gazetted under Government Notification, Department of Commerce No. 9-A (3)/37, dated 22nd April 1939.

Under the amended Rules the Board will consist of twenty members as follows:—namely (*a*) six nominated by the Central Government, of whom two shall be persons in the service of Government and four shall be approved accountants; (*b*) two members who shall be registered accountants, one nominated by the Federation of Indian Chambers of Commerce and Industry and the other by the Associated Chambers of Commerce; and (*c*) twelve members elected by registered accountants within the following constituencies:—

(1)	The Province of Madras and the Indian States of Hyderabad, Mysore, Travancore and Cochin	3	members.
(2)	The Province of Bombay and Western India States	3	,,
(3)	Bengal and Assam	3	,,
(4)	United Provinces, Bihar, Central Provinces and Berar and Orissa	1	member.
(5)	The Punjab and North West F. P. ..	1	,,
(6)	Sind, Delhi, Ajmer-Merwara and Rajputana States	1	,,

In May 1939 the Associated Chambers informed this Chamber that they had been requested to recommend a representative to serve on the Board. The Chamber supported the nomination of Mr. W. S. C. Tully, A.C.A.

The Chamber was subsequently informed that as only one nomination, namely that of Mr. Tully had been received, the Associated Chambers had recommended his appointment to the Government of India.

REGISTRATION OF ACCOUNTANTS.

AUDITORS' CERTIFICATES RULES.

In July 1939 the Government of India, Department of Commerce, published a draft of certain amendments to the Auditors' Certificates Rules, 1932. After obtaining the views of members interested the Committee offered the following criticism on Amendment 11 (7) relating to Clause (*c*) of Rule 22, which read as follows:—

> (7) In Clause (*c*) of Rule 22,—
>
> (*i*) the words "in the office of an Approved Accountant," where they occur for the first time, shall be omitted;
>
> (*ii*) for the words "one year's service as an articled clerk may be reckoned as two years' service as an audit clerk in the office of an Approved Accountant" the following shall be substituted, namely:—"one complete year's service as an articled clerk shall be reckoned as two years' service as an audit clerk and fractions of a year shall be ignored."

The Committee pointed out to the Government of India that the suggested amendment would mean that service as an audit clerk in any office, not necessarily that of a Registered Accountant not entitled to train articled clerks, would be accepted in place of the educational qualifications as a condition for being given articles, but they considered that internal audit clerks in Banks and audit clerks in Government departments should not come in under this rule.

The Committee did not agree with either of the suggested amendments to this clause. It was their opinion that if any extension was required, it should not go further

than to permit exemption to clerks who had served in the office of any Registered Accountant.

The Clause as finally passed by Government read as follows :—

(7) In Clause (c) of Rule 22,—

(*i*) the words " in the office of an Approved Accountant," where they occur for the first time, shall be omitted ;

(*ii*) for the word " four " the word " three " shall be substituted ; and

(*iii*) for the words " one year's service as an articled clerk may be reckoned as two years' service as an audit clerk in the office of an Approved Accountant ", the following shall be substituted, namely :—" one complete year's service as an articled clerk shall be reckoned as two years' service as an audit clerk and fractions of a year shall be ignored."

HOLIDAYS UNDER THE NEGOTIABLE INSTRUMENTS ACT.

(*See Reports*, 1924, *Vol. I, page* 320 ; 1925, *Vol. I, page* 317 ; 1932, *page* 279.)

In August 1939 the Government of Bombay invited the Chamber to nominate a representative to serve on a Special Committee, representing various commercial and banking interests and communities, which was being appointed to advise Government on the festivals to be observed in future as public holidays under the Negotiable Instruments Act, 1881. The terms of reference to the Committee were as follows :—

(1) To recommend the principles which should be followed in fixing public holidays under the Negotiable Instruments Act, 1881, with a view to reduce the number of holidays notified at present.

(2) To determine the days on which the abstention of a whole community from business would have such effect on the business of the Province that it was desirable in the general interests of the Commerce of the Province to declare those days as public holidays under the Negotiable Instruments Act, 1881.

(3) To recommend what days should, having regard to the principles referred to above, be declared as public holidays under the Negotiable Instruments Act, 1881, and

(4) To report on any matters germane to the above.

The Committee submitted the name of Mr. R. L. Ferard.

The Chamber was subsequently advised by its representative that at the meeting of the Committee held in November 1939, practically every member of the Committee, apart from the Europeans, was anxious to recommend additional public holidays on behalf of his own community.

As the proceedings were likely to have been exceedingly acrimonious, the Chamber's representative proposed that the Committee should recommend that no changes whatsoever be made in the list of public holidays.

The proposal was seconded by the Mahomedan member of the Committee, and eventually all members of the Committee with the exception of two voted in favour of the proposal, which was duly approved by Government.

SPREAD OF MALARIA FEVER.

Towards the end of the year the Chamber's attention was drawn to the spread of malaria in the city and more especially in the Sewree district.

As employers of labour were being affected owing to the rapid spread of this fever, the Chamber addressed the Executive Health Officer, Bombay Municipality, requesting that all possible measures should be taken at the earliest moment to improve the situation.

The Municipality appointed a Special Committee to deal with the question and the Chamber's representative on the Corporation was appointed a member.

RULES OF THE NATIVE SHARE AND STOCK BROKERS' ASSOCIATION.

(*See Reports* 1923, *Vol. I, page* 55 ; 1925, *Vol. I, page* 297 ; 1926, *Vol. I, page* 75 ; 1927, *Vol. I, page* 108 ; 1930, *Vol. I, page* 224 ; 1932, *page* 295 ; 1933, *page* 232 ; 1935, *page* 39 ; 1936, *page* 46 ; 1937, *page* 235 ; 1938, *page* 201.)

In September 1939 the Government of Bombay drew the attention of the Chamber to certain amendments to

Rule 298 of the Native Share and Stock Brokers' Association, published in the *Bombay Government Gazette*, Part IV-A, dated the 7th of September 1939. Under Rule 90 (*a*) (6) (*i*) the Board had the power to close the market for 24 hours and for a longer time with the previous consent of Government.

If the market remained closed during the period of settlement it was evident that shares could not be delivered and payment could not be made till the market reopened. Under Rule 298 the Board had the power to postpone the Pay Day. The same rule also provided that interest or budlee gala (contango) should be paid by the purchaser to the seller on the basis of the budlee gala of the previous settlement, if payment was delayed by more than a week. The two consequences which might follow from this were as under :—

First it might so happen that a purchaser might have ready cash to take delivery and he might be anxious to take delivery against payment at the contract price in order to save himself from being burdened with the interest which he would otherwise have to pay to the seller. It was therefore reasonable to expect that such a purchaser might at his option be permitted to take delivery of the shares bought. A rule to that effect was therefore necessary.

The second consequence, and it was by far the most important, was in respect of the unsettled contracts carried forward. At present, in the absence of any provision dealing with such carry over, all unsettled contracts would be transferred from one settlement to another at the original price at which the business was transacted. Therefore such transfers would not take into account the steep fall in values, which made the closure of the market necessary. The non-adjustment of the business to the prevailing lower prices would increase the risk of the seller, who would be put to great loss in case the buyer failed to fulfil the contract after the market reopened. This risk would naturally increase with every day the market continued to be closed.

In order to meet the situation, it was suggested that unsettled contracts should be carried forward, not on the basis of the original contract price at which the bargain might be made, but at a price to be fixed by the Board in the vicinity of the rates ruling in the market immediately before the suspension of dealings. This would take into account more completely the conditions actually prevailing and ensure a fair deal to both the parties.

In considering this matter the Committee informed Government that they were in agreement with the proposed amendments to Rule 298. They presumed, that these additions were intended to meet conditions prevailing during a crisis and that the somewhat similar procedure which had been adopted on previous occasions had worked satisfactorily.

REFUSAL OF ITALIAN SUPPLIERS TO SHIP GOODS.

In September 1939 the Chamber's attention was drawn to the fact that Italian suppliers generally, and the Association of Rug Manufacturers in particular, were refusing to ship goods already contracted for in sterling or rupees unless the original purchase price was converted into U. S. A. dollars at the rate of $4.70 per £1 sterling.

The Committee referred the matter to the London Chamber of Commerce with the request that as that Chamber was probably fully conversant with the situation it should take such action as might be possible to protect the interests of this Chamber.

The Chamber was subsequently informed by the member who raised the question that as far as they were concerned, the matter had been settled by the shipment of all goods manufactured up to date in Italy at the contract price plus extra freight and war risk insurance. Goods not so far manufactured would be cancelled, makers supplying *force majeure* certificates. These rugs were made from rags, which were probably unobtainable under war conditions.

Bombay dealers had agreed in their turn to pay extra freight and insurance, i.e., the difference between the current and pre-war levels. The exchange stipulation was dropped by the Italian manufacturers. This compromise the member considered not unreasonable.

The above information was passed on to the European Group at the Centre who had received a similar complaint from the Associated Chambers.

OUTSTANDING DEBTS DUE FROM SPAIN.

In May 1939 the Chamber received the following notification from the Director-General of Commercial Intelligence and Statistics :—

" In view of the gradual restoration of normal conditions in Spain, it is considered desirable to have a complete list of outstanding trade debts due from persons in Spain or Spanish territories to persons in India. For this purpose, persons and firms in India having outstanding debts due to them from Spain or Spanish territories are requested to furnish, in triplicate, the undernoted particulars of such debts as soon as possible to the Director-General of Commercial Intelligence and Statistics, 1, Council House Street, Calcutta.

The particulars required are as follows :—

Name and address of the Indian creditor ;

Name and address of the debtor ;

The amount of the debt (in the currency in which due) ;

The date on which the debt fell due, with a brief description of the transaction (in the case of debts for goods also the date of invoice, date and place of shipment and the destination of the goods) ;

The amount, if any, of pesetas deposited by the debtor ; the date of deposit, if known, and the bank at which the pesetas were deposited."

EXHIBITIONS AND FAIRS.

Papers in connection with the following Exhibitions and Fairs were received by the Chamber during the

year under review and were placed at the disposal of members.

Swiss Industries Fair, Basle, 18th to 28th March 1939.

All-India Industrial Exhibition, Delhi, 22nd February to 10th April 1939.

Paris Trade Fair, 13th to 29th May 1939.

All-India Industrial Exhibition, Karachi, March-April 1939.

International Industries Fair, Brussels, 12th to 26th March 1939.

Poona Industrial Exhibition, Lord Reay Industrial Museum, Poona, 12th March to 16th April 1939.

New York World's Fair, April to October 1939.

Second Trades and Agricultural Exhibition, Surat, 22nd April to 21st May 1939.

First All-India Industrial Exhibition, Quetta, from 1st week of June to 1st week of July 1939.

The International Leipzig Autumn Fair, Leipzig, from 27th to 31st August 1939, inclusive.

The New Zealand Centennial Exhibition, Wellington, from November 1939 to April 1940.

Mysore Dasara Exhibition, Mysore City, 13th to 28th October 1939.

British Industries Fair 1940, London, 19th February to 1st March 1940.

All-India Industrial and Agricultural Exhibition, Ballygunge, Calcutta, from December 1939 to end of January 1940.

Bombay Industrial Exhibition, 2nd December 1939 to 7th January 1940.

LIST OF ACTS AFFECTING COMMERCE AND INDUSTRY PASSED BY THE INDIAN LEGISLATURE DURING THE YEAR 1939.

Central Legislature.

I. Indian Tariff (Amendment).
III. Destructive Insects and Pests (Amendment).
IV. Motor Vehicles.
V. Indian Cotton Cess (Amendment).
VI. Indian Merchant Shipping (Amendment).
VII. Indian Income-tax (Amendment).
IX. Standards of Weight.
X. Indian Merchant Shipping (Second Amendment).

XI. Insurance (Amendment).
XII. Indian Patents and Designs (Amendment).
XIII. Workmen's Compensation (Amendment).
XIV. Cotton Ginning and Pressing Factories (Amendment).
Indian Finance, 1939.
XV. Employment of Children (Amendment).
XVI. Registration of Foreigners.
XVIII. Indian Tariff (Second Amendment).
XIX. Coal Mines Safety (Stowing).
XX. Sugar Industry (Protection).
XXII. Criminal Law Amendment.
XXIII. Indian Soft Coke Cess Committee (Reconstitution and Incorporation).
Indian Tariff (Third Amendment).
XXIV. Indian Census.
XXV. Indian Salt (Amendment).
XXVI. Code of Civil Procedure (Amendment).
XXVII. Indian Tea Cess (Amendment).
XXIX. Indian Tariff (Fourth Amendment).
XXX. Commercial Documents Evidence.
XXXI. Indian Carriage by Air (Amendment).
XXXII. Indian Rubber Control (Amendment).
XXXIII. Indian Railways (Amendment).
XXXV. Defence of India.
XXXVII. Indian Aircraft (Amendment).
XL. Motor Vehicles (Amendment).
XLI. Insurance (Second Amendment).
XLII. Workmen's Compensation (Second Amendment).

BOMBAY PROVINCIAL LEGISLATURE.

I. Bombay Weights and Measures (Amendment).
IV. Bombay Finance (Amendment).
V. Bombay Sales Tax.
VI. Bombay Abkari (Amendment).
IX. Bombay Gas Supply.
X. Bombay Lifts.
XI. Bombay Prize Competition Tax.

XII.	Bombay Revenue Tribunal.
XIII.	Bombay Charged Expenditure.
XIV.	Transfer of Property and the Indian Registration (Bombay Amendment).
XV.	Presidency-towns Insolvency and the Provincial Insolvency (Bombay Amendment).
XVI.	Bombay Rent Restriction.
XVII.	Bombay Finance (Second Amendment).
XX.	Bombay Land Revenue Code (Amendment).
XXII.	Bombay Agricultural Produce Markets.
XXIV.	Bombay Shops and Establishments.
XXV.	Bombay Options in Cotton Prohibition.
XXVI.	Bombay Fodder and Grain Control.
XXVIII.	Bombay Agricultural Debtors' Relief.

CHAMBER'S ACCOUNTS.

In presenting the Chamber's accounts for the year 1939, the Committee are pleased to report that the income exceeded the expenditure by Rs. 10,346-9-11. The sum of Rs. 8,500 set aside in the accounts for 1938 as a contribution on behalf of the sepoys and hamals to the Provident Fund to cover the period of their service prior to their being admitted to the benefits of the Fund, was transferred to the Fund and credited to their individual accounts. As is mentioned elsewhere in this report the Measurement Department Chowkies have been thoroughly overhauled. The cost of repairs amounted to Rs. 1,550-5-0 while a new Chowkie costing Rs. 1,617-1-0 has been built. The total expenditure of the Chamber for the year was, however, Rs. 14,385-6-2 less than the previous year.

On the income side, the receipts from membership fees and subscriptions show practically no change compared with 1938. Measurement and weighment fees have, however, dropped by Rs. 12,297-3-0 and the fees from Certificates of Origin show a decrease of Rs. 3,084.

The 5 per cent. 1939-44 loan, in which the Chamber had Rs. 85,300 invested, was redeemed during the year and from the proceeds a sum of Rs. 42,500 was invested in 2¾ per cent. 1948-52 loan and a similar amount in 3 per cent. 1951-54 loan.

A. K. G. HOGG,
President.

L. A. HALSALL,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

BOMBAY, 16*th February*, 1940.

THE BOMBAY CHAMBER OF COMMERCE.

(Incorporated under the Indian Companies Act, 1913.)

Balance Sheet as at 31st December, 1939.

LIABILITIES.	Rs. a. p.	Rs. a. p.	ASSETS.		Rs. a. p.	Rs. a. p.
Outstanding Bills—			Office Furniture—			
Bills in respect of Chamber's History, Wheel Tax, Audit Fee, Miscellaneous Printing, Repairs to Chowkies, etc. ..	....	3,679 5 0	Estimated value as on 31st December 1928		7,860 0 0	
			Additions up to 1937		6,753 13 0	
					14,613 13 0	
			Less—Sale Proceeds up to 1935		335 0 0	
					14,278 13 0	
			Less—Depreciation written off in :—			
			Previous years	Rs. a. p. 11,688 14 0		
			This year	480 4 0		
					12,169 2 0	
						2,109 11 0
Advance Receipts—			Statistical Furniture—			
Subscription to Publications ..	....	40 0 0	Cost to 31st December 1938		4,642 12 0	
			Additions during the year		40 0 0	
					4,682 12 0	
Reserves —			*Less*—Depreciation written off in :—			
Passage	1,000 0 0		Previous years	Rs. a. p. 3,612 12 0		
Income-Tax	750 0 0		This year	272 12 0		
Fluctuation of Investments (Being profit on Investments redeemed during this year)	2,985 8 0	4,735 8 0			3,885 8 0	
						797 4 0
Motor Car Reserve—			Measurement Furniture—			
			Cost to 31st December 1938		78 0 0	
			Additions during the year		36 0 0	
					114 0 0	
Amounts written off :—			*Less*—Depreciation written off in :—			
			Previous year	23 0 0		
In previous years	2,600 0 0		This year	25 8 0		
					48 8 0	
This year	900 0 0					65 8 0
		3,500 0 0	Office Motor Car—			
			Cost to 31st December 1939			3,600 0 0
Chamber of Commerce Accumulated Fund—						
			Measurement Dept. Chowkies—			
Balance on 31st December, 1938	1,76,534 12 2		Cost to 31st December 1939			1,617 1 0

Add—Excess of Income over Expenditure (as per annexed Account) ..		10,346	9	11	1,86,881	6	1							
								INVESTMENTS.	Market Value on 31st December 1939			Cost Price.			
								For Value Rs.	Rs.	a.	p.	Rs.	a.	p.
								2½ per cent. 1948-52 Loan .. 42,500	38,940	10	0	41,835	15	0
								3 per cent. 1951-54 Loan .. 42,500	39,418	12	0	42,287	8	0
								5 per cent. Government Income-tax Free Loan 1945-55 .. 71,000	78,410	10	0	71,000	0	0
								1,56,000	1,56,770	0	0	1,55,123	7	0
								Less—Appreciation	1,646	9	0			
									1,55,123	7	0	1,55,123	7	0
								48 Shares in the Bombay Telephone Company, Limited ..				2.130	0	0
														1,57,253 7 0
								Interest accrued on Investments				....		1,132 9 8
								Stock of Chamber's History				....		474 0 0
								Loans to Staff & Bills Receivable (Since recd. Rs. 351) ..				....		206 0 0
								Advance Payments—						
								Cash in Transit Insurance Premium applicable to next year				....		54 12 0
								Deposit with the Government of India, Publication Branch.				....		91 11 0
								Cash and Other Balances :—						
								In hand				28	7	0
								With the Imperial Bank of India, Current Account..				31,105	12	5
														31,134 3 5
Total Rs. ..		....			1,98,836	3	1	Total Rs. ..				....		1,98,836 3 1

A. K. G. HOGG,
President.

L. A. HALSALL,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

BOMBAY, 16*th February* 1940.

THE BOMBAY CHAMBER OF COMMERCE.

(Incorporated under the Indian Companies Act, 1913.)

Dr. *Income and Expenditure Account for the year ended 31st December 1939.* *Cr.*

EXPENDITURE.	Rs. a. p.	Rs. a. p.	INCOME.	Rs. a. p.	Rs. a. p.
Income-Tax Reserve 1940-41	750 0 0				
	2,099 2 0				
		3,921 15 0			
Address to Viceroy	....	400 0 0			
		2,06,329 0 8			
Balance, being excess of Income over Expenditure, transferred to Balance Sheet	....	10,346 9 11			
Total .. Rs.	....	2,16,675 10 7	Total .. Rs.	....	2,16,675 10 7

REPORT OF THE AUDITORS TO THE MEMBERS.

We have audited the foregoing Balance Sheet of the BOMBAY CHAMBER OF COMMERCE as at the 31st day of December 1939, and also the foregoing Income and Expenditure Account for the year ended upon that date, and report that—

(*a*) we have obtained all the information and explanations which we have required;

(*b*) in our opinion, the foregoing Balance Sheet and Income and Expenditure Account are drawn up in conformity with the law;

(*c*) such Balance Sheet exhibits a true and correct view of the state of the Chamber's affairs according to the best of our information and the explanations given to us and as shown by the books of the Chamber, and

(*d*) in our opinion, books of account have been kept by the Chamber as required by Section 130 of the Indian Companies Act, 1913.

A. F. FERGUSON & Co.,
Chartered Accountants,
Registered Accountants.

BOMBAY, 16*th February*, 1940.

A. K. G. HOGG,
President.

L. A. HALSALL,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

BOMBAY CHAMBER OF COMMERCE.

(Incorporated under the Indian Companies Act, 1913.)

Dr. *Income and Expenditure Account for the year ended 31st December 1939.* *Cr.*

EXPENDITURE.	Rs. a. p.	Rs. a. p.	INCOME.	Rs. a. p.	Rs. a. p.
To—			By—		
Subscription to Weather and Crop Reports	51 8 0		Membership Subscription 1938	12 4 0	
Membership Subscription to the Federation of Chambers of Commerce of the British Empire	29 4 6		Membership Subscriptions 1939	69,240 0 0	69,252 4 0
Membership Subscription to the Associated Chambers	640 0 0				
		720 12 6	Statistical Returns	28,915 11 0	
Chamber Office.			Special Statistical Returns	6,824 0 0	
Salaries	60,827 4 0		Statistical Miscellaneous Receipts	379 14 0	36,119 0 0
Rent	7,200 0 0				
Printing Miscellaneous Papers, Annual Report for 1938, etc.	3,579 10 0		Measurement Fees	81,092 0 6	
Advertisements	34 0 0		Weighment Fees	12,166 6 0	
Books and Periodicals	529 8 6		Miscellaneous Receipts	561 0 0	93,819 6 6
Stationery	782 1 9				
General Charges	2,084 12 0		Arbitration Fees	....	150 0 0
Telephone Charges	526 0 0		Fees for issuing Certificates of Origin, etc.	....	10,417 0 0
Fire Insurance Premium	14 1 0		Fees for issuing Certificates of Refraction	....	151 0 0
Cash in Transit Insurance Premium	121 12 0		Miscellaneous Receipts	....	137 0 0
Employer's Indemnity Insurance Premium	141 0 0		Dividends	....	192 0 0
Contribution to the Provident Fund	5,077 12 0				
Law Charges	376 10 6		*Interest on Investments—*		
Audit Fee	250 0 0		Taxable	4,001 5 8	
Motor Car Upkeep	2,489 1 6		*Less*—Interest on Purchases Rs. 581 6 10		
Port Trust Ground Rent	100 0 0		Income-Tax (net) Rs. 532 7 9	1,113 14 7	
Furniture Depreciation	480 4 0			2,887 7 1	
Motor Car Depreciation	900 0 0		Tax Free	3,550 0 0	6,437 7 1
		85,513 13 3			
Statistical Department.					
Salaries	19,675 0 0				
Statistical Typists' Salaries	4,464 0 0				
Cyclostyling Returns—Cost of Ink, Duplicating Paper, etc.	3,048 0 6				
Printing Returns	7,435 4 0				
Contribution to the Railways	2,137 8 0				
Books and Periodicals	47 10 0				
Stationery	314 2 0				
Petty Charges	386 9 6				
Contribution to the Provident Fund	1,992 8 0				
Furniture Depreciation	272 12 0				
		39,773 6 0			
Measurement Department.					
Salaries (Measurement and Weighment)	63,461 11 0				
Printing Charges	1,028 4 0				
Stationery	166 1 6				
Telephone Rent	310 0 0				
Bonus	2,109 0 0				
Petty Charges	378 3 6				
Weighment—Labour and Scales	1,685 10 0				
Repairs to Chowkies	1,550 5 0				
Furniture Depreciation	25 8 0				
Contribution to the Provident Fund	5,044 6 11				
Pensions and Gratuities	240 0 0				
		75,999 1 11			
Rs. a. p.					
Passage Reserve 1,000 0 0					
Passage paid (Balance) 822 13 0					
	1,822 13 0				
Income-Tax 1938-39 and 1939-40 (Balance) 1,349 2 0					
Income-Tax Reserve 1940-41 750 0 0					
	2,099 2 0				
		3,921 15 0			
Address to Viceroy	....	400 0 0			
		2,06,329 0 8			
Balance, being excess of Income over Expenditure, transferred to Balance Sheet	....	10,346 9 11			
Total Rs.	....	2,16,675 10 7	Total Rs.	....	2,16,675 10 7

250

REPORT OF THE AUDITORS TO THE MEMBERS.

We have audited the foregoing Balance Sheet of the BOMBAY CHAMBER OF COMMERCE as at the 31st day of December 1939, and also the foregoing Income and Expenditure Account for the year ended upon that date, and report that—

(a) we have obtained all the information and explanations which we have required;

(b) in our opinion, the foregoing Balance Sheet and Income and Expenditure Account are drawn up in conformity with the law;

(c) such Balance Sheet exhibits a true and correct view of the state of the Chamber's affairs according to the best of our information and the explanations given to us and as shown by the books of the Chamber, and

(d) in our opinion, books of account have been kept by the Chamber as required by Section 130 of the Indian Companies Act, 1913.

A. F. FERGUSON & Co.,
Chartered Accountants,
Registered Accountants.

BOMBAY, *16th February*, 1940.

A. K. G. HOGG,
President.

L. A. HALSALL,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

THE BOMBAY CHAMBER OF COMMERCE PROVIDENT FUND.

Statement of Accounts from 1st January to 31st December 1939.

	Rs. a. p.	Rs. a. p.	Rs. a. p.
Balance at Credit on 31st December, 1938	....	....	4,41,941 12 10
Add—			
Subscriptions received from Members	....	12,114 10 11	
Contributions paid by the Chamber of Commerce	12,114 10 11		
Special contribution for Menial Staff	8,500 0 0		
		20,614 10 11	
Interest received and accrued	....	16,568 12 4	
			49,298 2 2
			4,91,239 15 0
Deduct—			
Claims paid to Members (inclusive of interest)	....	11,319 12 3	
Non-refundable withdrawals (Rule 28 (4))	....	769 12 0	
Transferred to Lapses and Forfeitures Account	....	445 3 4	
			12,534 11 7
Balance at Credit of this Account on 31st December, 1939 ..	....	....	4,78,705 3 5
Add—Lapses and Forfeitures Balance as at 31st December, 1938	....	10,578 1 1	
Amount Forfeited during the year	....	445 3 4	
Net Profit on sale of Investments	....	2,775 12 0	
			13,799 0 5
			4,92,504 3 10

Held thus—

INVESTMENTS.	Face Value.	Market value on 31st December 1939.	Cost Price.
	Rs.	Rs. a. p.	Rs. a. p.
2½ % 1948-52 Loan	52,000	47,645 0 0	51,634 6 0
3 % 1951-54 „	52,500	48,693 12 0	52,068 12 0
3 % 1963-65 „	1,33,000	1,15,045 0 0	1,30,611 9 0
3½ % 1947-50 „	27,300	27,027 0 0	26,914 8 0
4 % 1960-70 „	61,500	62,960 10 0	60,386 2 0
5 % 1940-43 „	50,000	51,031 4 0	51,062 8 0
India Treasury Bills due 13-1-1940	50,000	50,000 0 0	49,656 4 0
„ „ „ „ 8-2-1940	50,000	50,000 0 0	49,786 4 0
	4,76,300	4,52,402 10 0	4,72,120 5 0
Add—Depreciation in value of the above Securities		19,717 11 0	
	4,76,300	4,72,120 5 0	4,72,120 5 0

Interest accrued on Investments and Loans	....	2,856 10 0
Amount due by Members (Since paid Rs. 107)	....	1,437 0 0
Cash with the Imperial Bank of India, on Current Account ..	....	16,090 4 10
		4,92,504 3 10

Examined and found correct.

A. F. Ferguson & Co.,
Chartered Accountants,
Registered Accountants,
Auditors.

A. K. G. Hogg,
President.

L. A. Halsall,
Member of Committee.

C. H. Courthope-Munroe,
Secretary.

Bombay, *16th February*, 1940.

BOMBAY CHAMBER OF COMMERCE.

(Incorporated under the Indian Companies Act, 1913.)

Dr. *Income and Expenditure Account for the year ended 31st December 1939.* *Cr.*

EXPENDITURE.		Rs. a. p.	Rs. a. p.	INCOME.	Rs. a. p.	Rs. a. p.
Income-Tax Reserve 1940-41	750 0 0					
		2,099 2 0				
			3,921 15 0			
Address to Viceroy	....		400 0 0			
			2,06,329 0 8			
Balance, being excess of Income over Expenditure, transferred to Balance Sheet	....		10,346 9 11			
Total .. Rs.	....		2,16,675 10 7	Total .. Rs.	....	2,16,675 10 7

REPORT OF THE AUDITORS TO THE MEMBERS.

We have audited the foregoing Balance Sheet of the BOMBAY CHAMBER OF COMMERCE as at the 31st day of December 1939, and also the foregoing Income and Expenditure Account for the year ended upon that date, and report that—

(*a*) we have obtained all the information and explanations which we have required;

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A. F. FERGUSON & Co.,
Chartered Accountants,
Registered Accountants.

BOMBAY, *16th February*, 1940.

A. K. G. HOGG,
President.

L. A. HALSALL,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1939

CORRESPONDENCE, DOCUMENTS AND STATISTICS

BOMBAY:
G. CLARIDGE AND CO., LTD.
1940

ADDRESS OF WELCOME TO HIS EXCELLENCY THE VICEROY.

To the Most Honourable Victor Alexander John Hope, Marquess of Linlithgow, P.C., K.T., G.M.S.I., G.M.I.E., O.B.E., D.L., T.D., Viceroy and Governor-General of India.

MAY IT PLEASE YOUR EXCELLENCY,—This is the second occasion on which we, the representatives of the Bombay Chamber of Commerce, have had the honour of extending to Your Excellency a welcome to Bombay, the first being on your arrival as Viceroy in India. We are happy to-day to have the opportunity of greeting you once again and are gratified that Your Excellency has graciously thought fit by personal experience to become better acquainted with this City which is not only the premier port of India but the centre of so many important industrial and commercial undertakings.

The feature of outstanding political significance during the term of Your Excellency's Viceroyalty has been the expectation of the introduction of All-India Federation as an extension of Provincial Autonomy. From the point of view of commerce, Federation can be the only logical outcome of any scheme of self government, the ultimate aim of which must be the largest possible economic unit. Unless Federation is achieved progress in India will be unduly fettered and both commerce and industry must suffer.

During recent years, and more particularly since the growth of a high protective and revenue customs tariff, the urgent need of an all-India outlook on problems of commerce and industry has become increasingly apparent.

Your Excellency is aware of the difficulties inherent in the existence of separate maritime States on the Western Coast of India. All Bombay commercial interests have been united in pressing on the Central Government the urgent need of a fair and equitable settlement if the interests of this Province of British India are not to suffer. The fact that

a land cordon has been reinstated is indicative of the difficulty of the problem. Similarly, the growth of industries in Indian States suggests the problems which will arise unless an all-India Federation solves the competing interests of separate territorial sovereignty. We submit, therefore, that the question of Federation is, from the commercial and industrial standpoint, a problem of first importance and urgency. To wait too long on possible future events will, in our view, tend to encourage growth of the inherent difficulties which, in a commercial and industrial sense, cannot but be thereby consolidated, and it would seem to be greatly in the interests of all British India that the future development of the country should be founded on the sound basis of the largest possible unit of internal free trade. Political adjustment, and the need for it, is a problem which can be considered with greater clarity and solved with equity and reason when the fundamental material interests of the whole population are related to the greatest possible territorial unit.

In Your Excellency's constant examination of India's problems there will have been brought to your notice the many legislative measures that have been framed by the Provincial Governments since the introduction of Autonomy. We have little doubt that you will have appreciated not only the beneficial nature of many of those that have been introduced by the Government in this Province but also the sense of balance and responsibility that has been displayed. Although at times we have not seen eye to eye with Government on all matters and differences have existed between us, the experience of self-government in the Bombay Presidency has been generally satisfactory.

We acknowledge with gratitude the personal interest that Your Excellency has devoted to the many and varied problems affecting the commercial development of India and in particular that of agriculture. This Chamber has always been alive to the supreme importance of agriculture to the prosperity and economic productivity of the country,

and in so far as economic planning for the industrial development of India must mainly depend for success on a constructive policy of agricultural development, we attach the highest importance to successful rural economy. Besides extending financial assistance to Provincial Co-operative Banks when necessary, an important function of the Reserve Bank is that of acting in a consultative capacity both to these Banks and to the Provincial Governments in relation to the finance of agricultural schemes and we feel confident that this function as it is further developed will be of considerable benefit to the country.

The last few years have witnessed a steady consolidation of the commercial law of India. The recent passing of the Companies Act has been followed in 1938 by the enactment of a comprehensive Insurance Act. We welcome also the Motor Vehicles Act which brings up to date the earlier Acts on the subject and should go far towards the much desired co-ordination of all forms of transport in the interests of the best possible economic development of the country as a whole. The Income Tax (Amendment) Bill has been the cause of much controversy but we shall welcome its provisions if at least it succeeds in improving the administration and reducing evasion of payment, thereby assisting the collection of revenue to a degree which may lead to the possibility of considering a reduction in the basis of charge of the tax itself. Legislation for the registration of trade marks in India is expected in the near future and it is a matter of satisfaction to the commercial community that such a Bill will be added to the general plan of commercial legislation which has engaged the attention of Government in recent years. Such a Bill will bring to a conclusion discussions which have been carried on from time to time for more than 60 years and the progress of opinion on this subject is an index of the industrial development of India in recent years. This legislation will remove the reflection on India of being the only country of any economic standing where trade mark legislation is not in force.

In considering this general subject of the amendment and consolidation of major commercial legislation, Government may also think fit to examine the incidence of customs taxation. As recently as 1934 we received the assurance of Government that when ascertaining value the basis of assessment would be related to the strictest possible interpretation of the respective sections of the Act. The major imports of India are not of the type and class they were a generation ago. The incidence of a relatively small customs duty on an article of consumption was of no great significance when the landed cost varied but slightly from the generally known wholesale price. But to-day customs revenue duties are not slight percentages and the articles on which they are levied are frequently goods differing greatly from the materials of a generation ago. The wholesale price is frequently no longer a close approximation to the landed cost. More extensive post-importation costs are now included in the first wholesale price. If customs duty is to avoid the guise of taxation on expenditure in the country it would seem highly desirable to consider ways and means of achieving a basis of assessment more closely related to landed cost. Discriminating protection of industry is the accepted policy of India. It would therefore seem specially desirable that purely revenue taxation should rest on a basis of assessment which, although permitting of alternative methods of application, shall ensure an effective charge of a substantially similar amount. Over-zealous administration may tend to assist the growth of industries not possessing the qualities which make their protection desirable, and non-economic industries may grow up, which bringing negligible profit to their sponsors, will reduce the possibility of revenue, and by increased and non-compensated costs, add to the burden of the consumer and reduce his taxable capacity.

Your Excellency will have remarked the pronounced building activity which is and has been for some years conspicuous in this city. Many years have now elapsed and

many vicissitudes have been surmounted since Lord Lloyd's scheme for the improvement of Bombay was first envisaged. It is a matter for congratulation that at length some return is forthcoming. It is not improbable that in the not too far distant future the completion of the whole scheme which at present finances do not permit, may be fully justified.

Before concluding this Address we desire to extend a welcome to the Marchioness of Linlithgow and are glad to have the opportunity of congratulating Her Excellency on the success she has achieved in her appeal on behalf of the King-Emperor's Anti-Tuberculosis Fund and we are hopeful that the organisations which as a result may now be put on foot, will do much to alleviate the terrible scourge of tuberculosis in this country.

We feel sure that Your Excellency's visit to Bombay and your kindness in now receiving us will further strengthen the bonds which connect Commerce and Industry so closely with the Government of this country. With every assurance of our respect we subscribe ourselves in the name and on behalf of the members of the Bombay Chamber of Commerce.

A. McINTOSH,	*President.*
A. K. G. HOGG,	*Vice-President.*
W. A. BELL,	*Members of the Committee.*
C. P. BRAMBLE,	
R. W. BULLOCK,	
W. L. CLEMENT,	
R. C. LOWNDES,	
A. P. POWLES,	
R. SCHERER,	
C. H. C. MUNROE,	*Secretary.*

BOMBAY, *25th January* 1939.

His Excellency the Viceroy in reply said:

GENTLEMEN,—It is a great pleasure to me to receive the address which you have been kind enough to present to me. I well remember the friendly welcome which you

extended to me on the day I landed in India to assume my present office. That address and the good wishes which it contained were a great encouragement to me, and it is all the greater pleasure to me to meet you again to-day.

Let me first of all say how glad I am to be paying this my first official visit to Bombay. I fully recognise the great importance of Bombay as a port and as the centre of so many major industrial and commercial undertakings. I may not have been able to visit Bombay as early as I could have wished. But, gentlemen, I think you know that I have spared no opportunity of establishing personal contact with the representatives of those most important interests which have Bombay as their centre, and that I have always endeavoured to maintain as close a contact as possible with happenings and developments in this great city and this historic presidency.

I thank you most warmly for your reference to the introduction of the Federation of India as the next stage in the realisation of that constitutional scheme of which the first and most significant step has been the introduction of Provincial Autonomy ; and it is a source of keen satisfaction to me to know that your Chamber, with its long history, and representing as it does commercial and industrial bodies of the utmost importance, should share the view, to which I myself wholly subscribe, that, from the point of view of commerce, Federation is the logical outcome of any scheme of self-government, and that, unless Federation is achieved, the progress of India will be unduly fettered, and commerce and industry alike must suffer. If I may venture to say so, you are wholly justified in the view you have expressed as to the necessity of regarding the problems of commerce and industry, problems the significance and importance of which in the modern world grows every day, with an all-India outlook.

I agree with you as to the urgency of Federation. It is of immediate importance in my judgment to achieve its

realisation, and I am sure that its realisation can be achieved consistently with the safeguarding of the legitimate interests of the various component parts of that Federation. You have mentioned the position of the Maritime States, and you have touched on problems in that connection of special interest to Bombay and to your Chamber. I am well aware —indeed no one who had the privilege of being associated with the deliberations of the Joint Parliamentary Committee or with the formulation of their report could fail to realise it—that there are certain practical difficulties and complications which cannot be overlooked. But I am at one with you in your view that Federation provides the only satisfactory solution, and that the sooner that can be introduced, the better it will be for the welfare of all concerned. I am determined to do all that lies in my power to bring about its achievement with the minimum of delay, and I am glad indeed to know that in that objective I can rely upon the support of your Chamber.

I have listened with much satisfaction to the tribute you have paid to the legislative programme of the Government of Bombay ; and, if I may venture without impropriety to express an opinion on these matters, I should like to subscribe to your view both as to the beneficial nature of many of the measures which the Government of this Province have introduced, and as to the sense of balance and responsibility that has been displayed. I am glad indeed to think that the Bombay Chamber of Commerce, with its great experience and long association with matters of commercial and industrial importance in this Presidency should pay the tribute that they have to the working of Provincial Autonomy. Nor do I feel that any statesman in these days (or indeed at any time) will for a moment misunderstand the significance of those occasions on which there are honest differences of opinion and on which the parties concerned find themselves unable to see eye to eye on questions of importance and significance to the province concerned.

I welcome your reference to the close relation of agricultural prosperity to economic and industrial development and health ; and I need not tell you how heartily I agree with you as to the extreme importance attaching to successful rural economy. I am much gratified by the appreciation you have expressed of the value of the activities of the Agricultural Credit Department of the Reserve Bank in regard to giving advice to Provincial Co-operative Banks and Provincial Governments in relation to the finance of agricultural schemes.

I am in entire sympathy with your desire that there should be in the India of the future the largest possible unit of internal free trade. The development of industries in Indian States is a natural extension of the progress which has been made in British India along the lines of discriminating protection, and it is a matter of importance that there should be co-ordination of the industrial and commercial efforts and policies of India's political units, whether they be provinces or States, paying due regard to the measure of independence which each enjoys. You have referred particularly to the importance of Federation to India's internal economy. But it has another aspect hardly less important. If India is to carry her full weight in the commercial councils of the world, it is essential that she should be able to speak with one voice.

I am glad that you have expressed your appreciation of the steady progress that has been made in recent years with the consolidation of the commercial law of India. I consider that the large measure of general agreement which has been reached during the progress to the statute-book of these very controversial measures is one of the best auguries for the future commercial peace and prosperity of this country. The Companies Act, the Insurance Act, the Income-tax (Amendment) Bill and the Motor Vehicles Bill are all of importance in creating conditions on which trade can develop on healthy lines. You have referred to the long discussions which have taken place on the subject of trade

mark legislation, but you are aware that the course of those discussions has been marked by fundamental changes in the attitude of commercial opinion in India; and I have no doubt that, as a result, the legislation which we hope to bring forward shortly will be of a less controversial kind than at one time seemed possible. My Government hope at about the same time to introduce a comprehensive measure on the subject of Merchandise Marks, and there is already before the Legislature a Bill for bringing up to date the law regarding Patents.

You have referred to the incidence of customs taxation, particularly with regard to the basis on which *ad valorem* duties are assessed, and you have suggested legislation for the purpose of avoiding the taxation of such post-importation charges as may be included in the wholesale price of imported goods. I am fully conscious of the considerations which you have mentioned and of the need for a basis of assessment equitable to all. This subject is indeed one which is constantly engaging the attention of the revenue authorities concerned, and as recently as 1936 the Central Board of Revenue, in modification of previous practice, issued an instruction the object of which is, consistently with the statutory definition, to relate the "wholesale price" on which the assessment is based as nearly as possible to the landed cost. The subject is however one of great complexity for which it is difficult to devise an improved statutory formula but which requires careful and vigilant administration.

I should like to take this opportunity gratefully to thank you on behalf of Lady Linlithgow and myself for your welcome to her and for what you have said about her appeal on behalf of the King-Emperor's Anti-Tuberculosis Fund. I do not think I need say a word to emphasize the extreme desirability of preventive and curative measures to deal with the scourge of tuberculosis. Bombay has made a generous response indeed to the appeal on behalf of the King-Emperor's Fund, and it is her and my earnest trust

that the very substantial sum of money which has been collected by the generosity of this Presidency and of this great capital city will produce results of real and permanent value for the alleviation of the suffering and distress which follow in the train of tuberculosis.

Gentlemen, I thank you again most warmly for the privilege you have given me of seeing you to-day and for your welcome to me. My own connection with business has been too close for me for a moment to underrate the vital necessity of close co-operation between commerce and industry, and the government and administration of a country. I cannot too strongly stress the value I attach to your good wishes and support, and the deep and genuine pleasure with which I have heard of the smoothness and cordiality of the relations which exist between this long-established and important Chamber, and the Government of Bombay.

INCOME-TAX (AMENDMENT) ACT, 1939.

RATES OF DEPRECIATION.

Schedule of Depreciation Rates proposed by the Central Board of Revenue and by the Bengal Chamber of Commerce.

	Rates proposed by : Government.	Bengal Chamber.
I. BUILDINGS :	%	%
(1) First class substantial buildings of selected materials	1½	6
(2) Buildings of less substantial construction (including colliery buildings)	3	12
(3) Purely temporary erections such as wooden structures	Renewals.	
Note.—Double these rates should be allowed for buildings in industries subject to special deterioration such as chemical works, soap and candle works, tanneries and paper mills.		
II. MACHINERY, PLANT OR FURNITURE (General Rate)	5	12
(1) Flour Mills	..	12
Rice Mills	..	15

		Rates proposed by : Government. %	Bengal Chamber. %
	Bone Mills	..	No views
	Sugar Works	..	15
	Distilleries	6¼	15
	Ice Factories	..	15
	Aerating Gas Factories	..	15
	Match Factories	..	15
(2)	Paper Mills		15
	Strawboard Mills		15
	Shipbuilding and Engineering Works.		12
	Iron and Brass Foundries		12
	Aluminium Factories		12
	Electrical Engineering Works ..		12
	Motor Car Repairing Works ..		12
	Galvanizing Works		19
	Tin and Can-making Machinery ..	7½	12
	Patent Stone Works		15
	Oil-extraction Factories		15
	Chemical Works		15
	Soap and Candle Works		15
	Lime Works		15
	Saw Mills		15
	Dyeing and Bleaching Works ..		15
	Cement Works using rotary kilns ..		15
	Rod Mills		15
(3)	Brick Manufacture	7½	15
	Tile-making Industry	7½	15
(4)	The manufacture of : (*a*) Vegetable ghee (*b*) Optical instruments (*c*) Coke, and .. (*d*) Concrete pipes ..	10	15
(5)	Glass Factories	10	15
(6)	Telephone Companies	7½	12
(7)	Wire and Nail-making Mills ..	10	15
(8)	Rubber Factories (including rubber boots and shoes)	5	20
(9)	Gas Companies	..	15
(10)	Tea Companies	..	12
(11)	Blast Furnaces	..	15
(12)	Sheet Mills	..	19
B.	Furniture and plant in hotels, boarding houses and shops	7½	12
C. (1)	Calculating Machines	..	22½
	Accounting Machines	..	22½
	Typewriters	..	22½
	Neopost Franking Machines ..	10	22½

		Rates proposed by : Govern-ment. %	Bengal Chamber. %
	Other Office Machinery	c 10	22½
	Tubewell Boring Plant	5	12
	Concrete pile driving Machines ..	..	12
(2)	Sewing and Knitting Machines employed in hosiery factories	10	22½
(3)	Sewing Machines for canvas or leather	12½	22½
(4)	Motor cars	20	45
(5)	Indigenous sugarcane crushers (Kohlus and Belans)	15	30
(6)	Moulds used in the manufacture of concrete pipes	20	30
(7)	Motor taxis, motor lorries and motor buses	20	40
(8)	Baling Presses	5	12
(9)	Weighing Machines	5	12
(10)	Refrigeration plant, containers, etc...	..	15
(11)	Works instruments	..	15
(12)	Automatic and semi-automatic machine tools	..	15
(13)	Precision machine tools, e.g., grinding machines	..	15
(14)	Air Compressors and pneumatic machinery	..	12
(15)	Electric plating and electro-welding plant	..	12
(16)	Diesel Engines	..	12
(17)	Engine and Boilers	..	12
(18)	Sidings	..	8
(19)	Road-making plant and machinery..	..	20
(20)	Tank and Hand Carts	..	15
D.	Ropeway Structures :		
(1)	Trestle and station steel work ..	5	12
(2)	Driving and tension gearing ..	7½	22½
(3)	Carriers	10	22½
(4)	Ropeway ropes and trestle sheaves and connected parts	25	40
E.	Salt Works :		
(1)	Machinery, plant, locomotives, wagons and rolling-stock	10	20
(2)	Tugs, barges, motor launch and floating plant	5	No views

		Rates proposed by : Govern-ment. %	Bengal Chamber. %
(3)	General plant and machinery used in engineering shops	7½	15
(4)	Reservoirs, condensers, salt-pans, delivery channels and piers, if constructed of masonry, concrete, cement, asphalt or similar materials.	5	10
(5)	Piers, quays and jetties constructed entirely or mainly of steel	5	10
(6)	Piers, quays and jetties constructed entirely or mainly of wood	10	15
(7)	Pipe lines for conveying brine if constructed of masonry, concrete, cement, asphalt or similar materials.	10	20
III.	ELECTRICAL MACHINERY :		
(*a*)	Batteries	15	30
(*b*)	Other electrical machinery including electrical generators, motors (other than tramway motors), switchgear and instruments, transformers and other stationary plant and wiring and fittings of electric light and fan installations	7½	15
(*c*)	Underground cables and wires ..	3	7½
(*d*)	Overhead cables and wires	3	6
(*e*)	X-Ray and Electro-therapeutic apparatus and accessories thereto ..	20	No views
(*f*)	Silk manufacturing—weaving machinery worked by electric motors including winding machines, twisting frames, doubling machines, pirn winding machines, warping machines, looms, stentering machines and hydro-extractors	7½	15
(*g*)	Air-conditioning machinery	7½	15
(*h*)	Machinery used in the production of cinematograph films namely—Recording equipment, reproducing equipment, developing machines, printing machines, Synchronisers and Studio lights, and editing machines	15	No views
IV.	HYDRO-ELECTRIC CONCERNS :		
	Hydraulic works, pipe-lines, sluices and all other items not otherwise provided for in this statement ..	2½	No views

	Rates proposed by: Government. %	Bengal Chamber. %
V. ELECTRIC TRAMWAYS:		
Permanent way:		
(a) Not exceeding 50,000 car miles per mile or track per annum	7½	Claiming present rates and present methods.
(b) Exceeding 50,000 and not exceeding 75,000 car miles per mile or track per annum	8½	
(c) Exceeding 75,000 and not exceeding 125,000 car miles per mile of track per annum	10	
Cars: Car-tracks, car bodies, electrical equipment and motors	7	
General plant, machinery and tools	5	
VI. MINERAL OIL CONCERNS:		
A. Refineries:		
1. Boilers	10	15
2. Prime-movers	5	20
3. Process plant	7½	20
B. Field operations:		
1. Boilers	10	15
2. Prime-movers	5	20
3. Process plant	7½	15
Except for the following items:		
1. Below ground	Renewals	
2. Above ground:		
(a) Portable boilers, drilling tools, well-head tank rigs, etc.	25	50
(b) Storage tanks	10	15
(c) Pipe lines:		
(i) Fixed boilers	10	15
(ii) Prime-movers	7½	20
(iii) Pipe line	10	15
3. Kerbside Pumps		20
4. Underground tanks and fittings		20
5. Returnable packages:		
Cans (tin)		*50
Drums and Casks (galvanised iron or steel)		*20

* Or alternatively cost of packages scrapped, less scrap value realised.

	Rates proposed by : Government. %	Bengal Chamber. %	
VII. SHIPS :			
(1) Ocean :			
(*a*) Steam	5	12½	Claiming present rates and present methods.
(*b*) Sail or Tug	4	..	
(2) Inland :			
(*a*) Steamers over 120′ length	5	10	
Steamers including Cargo launches 120′ length or under	5	12	
(*b*) Tug Boats	5	15	
(*c*) Iron or Steel flats for cargo	5	10	
(*d*) Wooden cargo boats up to 50 tons capacity	5	20	
(*e*) Wooden cargo over boats 50 tons capacity	5	15	
(*f*) Motor launches	10	22	
(*g*) Speed boats	15	35	
VIII. MINES AND QUARRIES :			
(1) Machinery :			
(*a*) Surface and underground machinery (except electrical machinery), head-gear moving parts and rails.. ..	..	15	
(*b*) Boilers and head-gear (excluding moving parts)	..	8	
(2) Coal Tubs, Winding Ropes and Haulage Ropes	..	57	
(3) Development, including shafts and inclines	5	8	
(4) Tramways on the surface (excluding rails)	10	15	
IX. AEROPLANES :			
(1) Aircraft	30	40	
(2) Aero-engines	40	57	
(3) Aerial Photographic apparatus ..	25	No views	

UP-COUNTRY SURVEYS.

CLAIMS FOR SHORTAGES AGAINST RAILWAYS.

Copy of Resolution 1093 of the Commercial Committee Meeting held at New Delhi in March 1939.

Resolution 1093.—The Commercial Committee do not recommend acceptance of the draft certificate proposed by the Associated Chambers of Commerce of India, which, apart from other reasons, they consider to be too lengthy and cumbersome for practical application. The Committee recommend the acceptance by railways of the form (*vide* Appendix G/II), which gives the necessary certificate in a very much more simple manner, for issue on demand.

Appendix G/II to Min. 1093—*Permission for a survey to be held by Insurance Companies on station premises of consignments received in a doubtful condition prior to delivery of the goods.*

_____ Railway.

Certificate of damages and shortages.

Consignment of _____ booked

from _____ to _____

Invoice or R/R No. _____.

Sender _____

Consignee _____

Risk Notes executed by sender _____

Remarks on R/R by forwarding station _____

Condition of packages at time of survey _____

Extent of damage/shortage.

Weight of a good bag/bale, etc. _____

_____

S.M. or Commercial Inspector.

I agree to the above
without prejudice.

for _____ *Railway.*

Consignee _____

PAYMENT OF WAGES ACT.

INCORPORATION INTO WAGES OF BONUSES FOR GOOD ATTENDANCE.

Judgment of the Assistant Judge, Ahmedabad, dated 6th May 1939 (Appeal No. 231 of 1938).

B. K. Majumdar, Manager, Arvind Mills Ltd. vs. K. R. Gadgil, Inspector under Payment of Wages Act.

JUDGMENT.

These appeals arise out of applications filed by the Respondent Inspector under the Payment of Wages Act in respect of certain deductions made by the appellant in the wages of his employees. The applications were made under section 15 of the Act No. IV of 1936. In both the applications the learned First Class Magistrate ordered the appellant to refund specified amounts. Aggrieved by the orders of the learned Magistrate on both those applications the appellant (original opponent) has filed these appeals.

2. The appellant mill offered a bonus of 6 annas 9 pies to piece-workers for full regular attendance for eight days and 6 annas 9 pies and 3 annas 3 pies to doffers for full regular attendance for sixteen days and eight days respectively. Rate Boards were placed by the appellant mill company showing these offers of bonus.

3. The questions for consideration are whether the bonus is included in the term " wages " and whether its deductions contravenes the provisions of sections 7 and 9 of the Act. The most important clause for interpretation in this connection is clause vi of section 2 of the Act which defines " wages." Before I refer to this clause and proceed to interpret it, it is necessary to state that the Act has come into force only about a year back and no occasion has yet arisen for the interpretation of its provisions before any of the High Courts in India to my knowledge. Not only this but the Act is designed as its preamble shows to regulate the payment of wages to certain classes of persons employed

in industry. The preamble, though short, is precise and clearly lays down the object for which the Act is enacted. That object, it is obvious, is to prevent the employers of labour from arbitrarily cutting down the wages of the employed and to regulate their payment.

4. Reading the definition of " wages " in sub-clause vi of section 2 it should be noted that it is wider and somewhat different from the definition of " wages " in other statutes on the statute-book in this country. The learned counsel for the appellant laid emphasis on the words " if the terms of the contract of employment, express, or implied, were fulfilled " and on the words " so payable." No doubt the definition is not happily worded but it does not warrant the interpretation which the learned counsel sought to put upon it. The words " would be payable " bring the bonus offered under the definition of the term " wages." If that was not so, the words instead of " would be payable " would have been either " are earned " or " are paid." Proceeding further with this definition, the words " would be payable," whether conditionally upon the regular attendance, good work or conduct or other behaviour of the persons employed, or otherwise " support the interpretation referred to above, namely, that the bonus is a part of the wages. But the third portion of the definition dispells all doubt on the matter of interpretation and the conclusion arrived at on that interpretation, namely, that the bonus is included in the terms " wages." The relevant words are : " and includes any bonus or other additional remuneration of the nature aforesaid which would be payable." In fact the reading of the definition of wages in sub-clause vi as a whole leads one to no other conclusions but this that the bonus is included in " wages." Even the learned counsel who appeared for the appellant did concede that bonus would be included in the wages if the conditions were fulfilled. That takes me to section 7 which has to be read along with section 2 clause vi in arriving at correct interpretation. It lays down that the wages of an employed person shall be paid to him

without deductions of any kind except those authorised by or under this Act. The deductions so authorised are given in section 9 of the Act. It lays down that the deductions under clause (*b*) of sub-section (2) of section 7 may be made on account of the absence of an employed person from the place where he is required to work. In sub-clause (2) of section 9 it is laid down that the amount of each deduction shall in no case bear to the wages a larger proportion than the period for which he was absent to the total period.....it thus provides only a *pro rata* deduction for the actual period of absence and not a total deduction for the whole period as the appellant mill sought to do. It stands to reason that a deduction is made for the actual period for which the wage-earner is absent. But it offends definitely against the provisions of this Act if the employer deducts for a single day's absence the whole amount....payable as bonus for the stipulated period of 8 or 16 days as the case may be. The learned counsel for the appellant argued that after all an Act should be in consonance with common sense and if an employed person chooses to turn out less work than the work required for earning the bonus or chooses to remain absent for a day or two out of the period required for earning the bonus, then he must lose the whole of it. On the contrary it is an act of bare justice that an employed person does not lose the whole of the bonus merely because he remained absent for a day out of ten days or merely because he turned out 9 pieces instead of 10 required for earning the bonus. Section 9 prescribed payment of *pro rata* bonus and that is to my mind in strict consonance with common sense. In this connection I am bound to observe that a judge is not entitled to question the wisdom or the policy underlying an enactment. Even if an enactment offends against common sense or is for the matter of that capricious, the judge is bound to give effect to it so long as it stands on the statute-book and is not altered or amended. Finally, I proceed to section 23 of the Act which renders null and void any

contract or agreement made either before or after the commencement of this Act whereby an employed person relinquishes a right conferred by this Act.

5. The learned counsel argued that if there is any doubt in the mind of the Court with regard to the interpretation of its provisions, the benefit of that doubt should be given to the employer as he is subjected to certain liabilities under the Act. What I understand him to say is that the construction should be in favour of his client where a doubt exists. I am, however, inclined to think otherwise, looking into the very preamble of the Act which as I have observed at the outset is meant to protect an employed person against arbitrary deductions. But apart from the rule of construction, this is not a case in which a doubt does in fact exist. The several provisions of the Act to which I have referred leave no doubt on the subject that bonus is included in wages and its deductions brings the case within the purview of this Act. I do grant that this interpretation is not beneficial to the employed person either, as to the employer. The result of this interpretation as the learned counsel very plainly suggested would be to impel the employer to do away with the offer of bonus altogether and there is nothing in this Act, so far as I can see, to prevent him from doing so; so that the ultimate effect of this interpretation will no doubt redound upon the wage earner but a Court of Justice has not to guard the interest either of the employer or of the employed. Its only duty is to interpret the statute as it stands irrespective of its consequence of such interpretation. On the whole the interpretation made by the learned Magistrate is reasonable and I see no reason to interfere with it. Both appeals therefore stand dismissed with costs.

Sd. I. C. MUNSIFF,
Assistant Judge, Ahmedabad.

STANDARD CONTRACTS FOR HANDPICKED GROUNDNUTS.

Terms of Standard Contract for Handpicked Selected Groundnuts (Kernels and Nuts in Shell) as agreed to by the Conference.

KERNELS.

Definition.—Handpicked selected groundnut kernels shall be dry and reasonably uniform in size.

Grades.—Handpicked selected kernels—

Special Bold No. 1 having a count of 32/34 kernels per ounce.

Special Bold No. 2 having a count of 34/36 kernels per ounce.

Special Bold No. 3 having a count of 36/38 kernels per ounce.

Bold No. 1 having a count of 38/40 kernels per ounce.

Bold No. 2 having a count of 40/42 kernels per ounce.

Commercial Bold No. 1 having a count of 42/45 kernels per ounce.

Commercial Bold No. 2 having a count of 45/48 kernels per ounce.

Commercial Bold No. 3 having a count of 48/50 kernels per ounce.

Peanuts No. 1 having a count of 70/75 kernels per ounce.

Peanuts No. 2 having a count of 75/80 kernels per ounce.

Allowances.—

Excess kernels per ounce.

Special Bold No. 1	For every kernel in excess of the lower size limit fixed for the grade, allowance at four annas per cwt. Rejection if the kernels exceed the lower limit by more than 2.
Special Bold No. 2	
Special Bold No. 3	
Bold No. 1	

Bold No. 2	For every kernel in excess of the lower size limit fixed for the grade, allowance at three annas per cwt. Rejection if the kernels exceed the lower limit by more than 2.
Commercial Bold No. 1 ..	For every kernel in excess of the lower size limit fixed for the grade, allowance at one anna per cwt. Rejection if the kernels exceed the lower limit by more than 4.
Commercial Bold No. 2 ..	
Commercial Bold No. 3 ..	
Peanuts No. 1	
Peanuts No. 2	

Impurities.—

Up to 1 oz. in a bag (of 182 lbs. net).	No allowance.
Over 1 oz. to 2 oz. in a bag ..	Cleaning charge* at two annas per bag.
Over 2 oz.	Rejection at buyers' option.

Broken, skinned and damaged (internally discoloured) kernels.—

Up to 1 oz. in a bag of 182 lbs. net.	No allowance.
Over 1 oz. to 2 oz. in a bag ..	Excess over 1 oz. reckoned at half value.
Over 2 oz. to 4 oz. in a bag ..	Excess over 2 oz. reckoned of no value, *plus* cleaning charges* at two annas per bag.
Over 4 oz. in a bag	Rejection.

* The buyer shall be entitled to only one cleaning charge under these two items.

Packing.—New B. Twill bags containing 182 lbs. net each.

Packed other than 182 lbs. net per bag.	Repacking charges at one anna per bag.
Packed in old or other type of bags.	Repacking charges at one anna per bag *plus* cost of New B. Twill bags.

Unit of quotation.—Hundredweight.

NUTS IN SHELL.

Definition.—Handpicked selected groundnuts in shell shall be dry and reasonably uniform in size with outwardly two well defined sections in each nut. The shell shall be clean, bright and of whitish colour.

Grades.—

Handpicked selected groundnuts in shell 'Bold.'	Having a count of 13/14 nuts in shell per ounce.
Handpicked selected groundnuts in shell 'Small.'	Having a count of 17/19 nuts in shell per ounce.

Allowances.—

Excess nuts per ounce—

'Bold'	For every nut in excess of the lower limit, allowance at four annas per maund calculated to the nearest one-fourth of a nut. Buyer entitled to reject, if the nuts exceed the lower limit by more than 1.
'Small'	For every nut in excess of the lower limit, allowance at two annas per maund calculated to the nearest one-fourth of a nut. Buyer entitled to reject, if the nuts exceed the lower limit by more than 1.

Impurities.—

Up to 2 oz. in a bag of 72 lbs. net in case of 'Bold' and 82 lbs. in case of 'Small.'	Free.
Over 2 oz.	Seller to clean or pay cleaning charge at two annas per bag at seller's option.

Empty and broken nuts in shell.—

Shell from empty and broken nuts up to ½ oz. in a bag.	Free.
Over ½ oz. to 2 oz. in a bag ..	Excess over ½ oz. reckoned at half value.
Over 2 oz. to 4 oz. in a bag ..	Excess over 2 oz. reckoned of no value.
Over 4 oz. in a bag	Rejection at buyers' option.

Discoloured and damaged nuts in shell.—

Up to 1 per cent.	Free.
Over 1 to 2 per cent. ..	Excess over 1 per cent. reckoned at half value.
Over 2 to 5 per cent. ..	Excess over 2 per cent. reckoned of no value.
Over 5 per cent.	Rejection at buyers' option.

Note.—The discoloured nuts shall include nuts which have excess of adhering earth. The damaged nuts shall include nuts mechanically damaged and nuts damaged by insects.

Packing.—

'Bold'	Clean sound gunny bags 72 lbs. net.
'Small'	Clean sound gunny bags 82 lbs. net.

Unit of quotation.—Hundredweight.

GROUNDNUT STANDARDS.

Terms of Standard Contract for Groundnuts (Kernels for Crushing) as agreed to by the Conference.

I. *Types.*—

Standard contract terms for groundnuts shall apply to the following six types :—

1.	'Khandesh'	Consisting of small round kernels grown in East and West Khandesh districts.
2.	'Khandesh quality' (Peanuts).	Consisting of small round kernels grown in any part of India other than East and West Khandesh districts.
3.	'Bold'	Consisting of large long kernels grown in any part of India other than Kathiawar.
4.	'Kathiawar Bold' ..	Consisting of large long kernels grown in Kathiawar.
5.	'Coromandel'	Consisting of medium long kernels.
6.	'Red Natal'	Consisting of round thick red kernels.

II. *Description.*—

The kernels shall be fair average quality of the season, true to type.

III. *Condition.*—

The groundnuts shall be in a thoroughly dry condition. Goods showing signs of moisture shall be dried and the loss in weight and expenses incurred in drying shall be borne by the seller.

When the driage cannot be amicably settled, the following procedure shall be adopted :—

A representative sample of the kernels shall be exposed to the sun for an hour in single layers in trays made of material which is a non-conductor of heat. The loss in weight due to drying shall be borne by sellers and when the loss in weight exceeds 1¼ per cent., an additional reconditioning charge at Rs. 3-8-0 per 100 bags shall also be payable by sellers.

IV. *Refraction and allowances.*—

*Refraction**	Basis 4 per cent. with mutual allowances. Over 4 to 8 per cent., proportionate allowance at full value to buyer. Over 8 per cent. proportionate allowance at full value *plus* cleaning charges at Rs. 3-8-0 per 100 bags.
Nuts-in-shell	Nothing free. Up to 10 per cent. by weight of nuts-in-shell, the amount of shell present shall be calculated and reckoned as dirt. Over 10 per cent. by weight of nuts-in-shell, rejection at buyer's option.
†*Damaged kernels*	2 per cent. free. Over 2 per cent. to 4 per cent. the whole to be reckoned as one-fourth dirt and over 4 per cent. to 10 per cent. the whole to be reckoned as half dirt. Over 10 per cent. rejection at buyer's option.
‡*Splits*	25 per cent. free. Excess over 25 per cent. to be reckoned as one-sixteenth dirt.
§*Broken kernels*	10 per cent. free. Excess over 10 per cent. to be reckoned as one-eighth dirt.
||*Nooks*	5 per cent. free. Excess over 5 per cent. to be reckoned as one-fourth dirt. Over 10 per cent. rejection at buyer's option.
Shrivelled kernels (*Dead seeds*).	2 per cent. free. Excess over 2 per cent. to be reckoned as one-fourth dirt.
Admixture of different types :—	
'Red Natal' in any other type.	1 per cent. free. Excess over 1 per cent. up to 5 per cent. to be reckoned as one-eighth dirt. Over 5 per cent. rejection at buyer's option.

* *Note.*—Refraction includes dirt, stones, shell, other seeds, foreign matter *plus* such proportions of nuts-in-shell, damaged kernels, splits, broken kernels, nooks and shrivelled kernels as are reckoned as "dirt."

† Damaged includes kernels internally damaged and slightly damaged.

‡ Kernels broken lengthwise in two halves only.

§ Kernels smaller than splits but bigger than nooks.

|| Pieces 1/8th or less than 1/8th of a kernel.

Any type (except 'Red Natal') in any other type.	5 per cent. free. Excess over 5 per cent. up to 10 per cent. to be reckoned as one-eighth dirt. Over 10 per cent. rejection at buyer's option.
Presence of castor seed ..	Nothing free. The presence of traces of castor seed or husk will give the buyer option to clean at seller's expense subject to a maximum cleaning charge for handpicking at two annas per bag.

Rejection conditions :—

(*a*) When nuts in shell exceed 10 per cent.

(*b*) When damaged kernels exceed 10 per cent.

(*c*) When nooks exceed 10 per cent.

(*d*) When 'Red Natal' in any other type exceeds 5 per cent.

(*e*) When the admixture of any type with any other type exceeds 10 per cent.

V. *Miscellaneous.—*

Unit of quotation.—Maund (82 1/7 lb.).

Month of delivery for "futures."—February, May, August and November.

Minimum unit of transaction for "futures."—500 maunds.

Gunnies.—New 'B$_{\text{III}}$ Twill' bags.

THE INDIAN FINANCE ACT, 1939.

(*Made by the Governor-General on the 30th March*, 1939.)

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the incidence and rate of excise duty on "khandsari" sugar leviable under the Sugar (Excise Duty) Act, 1934, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax.

Whereas it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the incidence and rate of excise duty on *khandsari* sugar leviable under the Sugar (Excise Duty) Act, 1934, to vary the duty on raw cotton leviable under

the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax ;

It is hereby enacted as follows :—

1. *Short title and extent.*—(1) This Act may be called the Indian Finance Act, 1939.

(2) It extends to the whole of British India.

2. *Fixation of salt duty.*—The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Central Government to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India, be construed as if, for the year beginning on the 1st day of April, 1939, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule under that section.

3. *Excise duty on khandsari sugar.*—In the Sugar (Excise Duty) Act, 1934—

(*a*) in clause (*a*) of section 2, the words " wherein, or within the precincts of which, twenty or more workers are working or were working on any day of the preceding twelve months, and " shall be omitted ;

(*b*) in clause (*i*) of sub-section (2) of section 3, for the words " one rupee and five annas " the words " eight annas " shall be substituted.

*4. *Import duty on raw cotton.*—In the First Schedule to the Indian Tariff Act, 1934, in Item No. 46 (3), for the words " six pies per lb." in the fourth column, the words " one anna per lb." shall be substituted.

* Section 4 came into effect on 1st March, 1939, by virtue of a declaration inserted in the Bill under the Provisional Collection of Taxes Act, 1931 (XVI of 1931).

5. *Inland postage rates.*—For the year beginning on the 1st day of April, 1939, the Schedule contained in Schedule I to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

6. *Income-tax and super-tax.*—(1) Subject to the provisions of sub-section (2)—

(*a*) income-tax for the year beginning on the 1st day of April, 1939, shall be charged at the rates specified in Part I of Schedule II, and

(*b*) rates of super-tax for the year beginning on the 1st day of April, 1939, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of Schedule II.

(2) In cases to which section 17 of the Indian Income-tax Act, 1922, applies, the tax chargeable shall be determined in accordance with the provisions of that section with reference to the rates specified in Schedule II.

(3) For the purpose of this section and of Schedule II, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

(4) Notwithstanding anything contained in sub-section (1) or sub-section (2), where more than half of the total income of any individual or Hindu undivided family consists of income from salaries, interest on securities or dividends in respect of which the individual or Hindu undivided family is deemed, under the provisions of section 49B of the Indian Income-tax Act, 1922, to have paid income-tax imposed in British India, or consists of income falling under more than one of those heads—

(*a*) income-tax for the year beginning on the 1st day of April, 1939, shall be charged in respect of such total incomes at the rates of income-tax which

were imposed for the year beginning on the 1st day of April, 1938, in respect of incomes of individuals or Hindu undivided families, and

(*b*) in cases in which super-tax has been deducted under the provisions of section 18 of the said Act or would have been so deductible had the Indian Income-tax (Amendment) Act, 1939, come into force on the 1st day of April, 1938, the rates of super-tax for the year beginning on the 1st day of April, 1939, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be the rates of super-tax which were imposed for the year beginning on the 1st day of April, 1938, in respect of incomes of individuals or Hindu undivided families, as the case may be.

(5) In respect of income to which sub-section (4) applies, the provisions of section 17 of the Indian Income-tax Act, 1922, shall apply to the assessment to be made for the year beginning on the 1st day of April, 1939, as though the Indian Income-tax (Amendment) Act, 1939, had not been passed.

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

[*See* section 5.]

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[*See* section 7.]

Letters.

For a weight not exceeding one tola	One anna.
For every tola, or fraction thereof, exceeding one tola	Half an anna.

Postcards.

Single	Nine pies.
Reply	One and a half annas.

Book, Pattern and Sample Packets.	
For the first two and a half tolas or fraction thereof..	Six pies.
For every additional two and a half tolas, or fraction thereof, in excess of two and a half tolas	Three pies.
Registered Newspapers.	
For a weight not exceeding ten tolas	Quarter of an anna.
For a weight exceeding ten tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.
In the case of more than one copy of the same issue of a registered newspaper being carried in the same packet—	
For a weight not exceeding ten tolas	Half an anna.
For every additional five tolas, or fraction thereof, in excess of ten tolas	Quarter of an anna.
Provided that such packet shall not be delivered at any addressee's residence but shall be given to a recognised agent at the post office.	
Parcels.	
For a weight not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

SCHEDULE II.

[*See* section 6.]

PART I.

RATES OF INCOME-TAX.

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of persons not being a case to which paragraph B of this Part applies—

		Rate.
1.	On the first Rs. 1,500 of total income ..	*Nil.*
2.	On the next Rs. 3,500 of total income ..	Nine pies in the rupee.
3.	On the next Rs. 5,000 of total income ..	One anna and three pies in the rupee.
4.	On the next Rs. 5,000 of total income ..	Two annas in the rupee.
5.	On the balance of total income	Two annas and six pies in the rupee.

Provided that—

(*i*) no income-tax shall be payable on a total income which does not exceed Rs. 2,000;

(*ii*) the income-tax payable shall in no case exceed half the amount by which the total income exceeds Rs. 2,000.

B. In the case of every company and local authority, and in every case in which, under the provisions of the Indian Income-tax Act, 1922, income-tax is to be charged at the maximum rate—

	Rate.
On the whole of total income	Two annas and six pies in the rupee.

PART II.

RATES OF SUPER-TAX.

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which paragraph B of this Part applies—

		Rate.
1.	On the first Rs. 25,000 of total income ..	*Nil.*
2.	On the next Rs. 10,000 of total income ..	One anna in the rupee.
3.	On the next Rs. 20,000 of total income ..	Two annas in the rupee.
4.	On the next Rs. 70,000 of total income ..	Three annas in the rupee.
5.	On the next Rs. 75,000 of total income ..	Four annas in the rupee.
6.	On the next Rs. 1,50,000 of total income ..	Five annas in the rupee.
7.	On the next Rs. 1,50,000 of total income ..	Six annas in the rupee.
8.	On the balance of total income	Seven annas in the rupee.

B. In the case of every company and local authority—

	Rate.
On the whole of total income	One anna in the rupee.

THE BUDGET 1940-41.

Extract from the proceedings of a meeting of the Legislative Assembly, held in New Delhi, on Thursday, 29th February, 1940.

Finance Member's Speech.

In presenting this my first budget, I am mindful of the proverb that no man is a prophet in his own country. Having spent the greater part of my adult life and the whole of my working career in India, I cannot hope to be credited with the unusual qualities which are often attributed to the newcomer, nor yet can I claim the indulgence which is often extended to the novice. I might perhaps have appealed for some measure of sympathy by reason of the special difficulties which have beset my first year, for to have to reckon with war a few months after taking office is a good deal worse than the normal lot of a Finance Member. But when I look round the world as it is to-day, and observe the formidable problems which confront those in charge of public finance in other countries, and not merely in countries at war but even in the less fortunate of the neutral countries, I can, at this stage, utter no such appeal. For whatever be the difficulties of the task to which I have had to address myself, they are greatly mitigated by the favourable economic conditions in which India has hitherto found herself in spite of, or rather I should say by reason of, the outbreak of war. In fact the story I have to tell relates mainly to a period in which a modestly improving rate of economic progress, restrained by fear of the consequences of an actual outbreak of war, was succeeded by what was almost a tide of war prosperity, subject to occasional setbacks from rumours of the possible supervention of peace. There is, no doubt, something repugnant to our human susceptibilities in these reactions of the 'economic man' to the tragic issues which are being fought out on the world stage at this moment, but it is my business to deal with facts and figures and the atmosphere of

the market place, and we must console ourselves with the reflection that the full utilization of India's material resources is an important element in ensuring the victory of that cause on which alone rests the hope of our civilization.

The most effective index of Indian economic development during the first six months of the War is afforded by the price-levels of those staple export commodities, upon which the cash-income of the ryot so largely depends and variations in the prices of which, therefore, affect both the volume of employment and the buoyancy of the revenues, particularly of Provincial revenues. Taking the category of the chief articles of export as a whole, their prices to-day are some 40 per cent. higher than they were just before the war broke out, even when account is taken of the fall in jute and cotton prices which accompanied the recent deflation of speculation in these commodities. This rise in prices reflects, for the greater part, an increase in the demand for India's products abroad—in many cases a direct increase, in others an indirect increase, through additional calls upon India's manufacturing capacity for products of many kinds. I need only instance the impressive figures which the Department of Supply issues from time to time, relating to orders placed. Although such orders are to some extent in substitution of others, nevertheless, the expansion of war demands must exercise a beneficial influence both on raw material prices and upon industrial activity. As the new crops come on to the market, the higher prices realized will, of course, mean that industry will benefit from the larger money-incomes through increased purchases: these increase the general level of industrial employment, which, in its turn, increases the purchasing power of the urban population.

The primary impulse to the economic upswing now in progress is the foreign demand for India's products, but an investigation of the price situation as a whole shows that, except in one or two isolated cases, there are no notably divergent tendencies. The fact that there is no such marked

difference in the trend of the prices of raw materials, of industrial commodities, of food, etc., is a welcome indication that the different branches of the national economy are moving forward in fair unison and that there is no need to fear, for the present at any rate, a lop-sided development with serious cleavages of interest. It is as well to remember, however, that the continuance of this situation depends upon continued command of the sea : without the ability to export freely, the present level of export prices could not be maintained. Up to the present, the development of overseas trade has been eminently satisfactory and the cessation of our trade with Germany has been more than neutralized by the expansion of trade elsewhere. In the first ten months of the present fiscal year the value of our exports of merchandise has amounted to Rs. 1,71 crores, an increase of Rs. 31 crores over the previous year. Imports have failed to rise to the same extent, and have amounted to a total of Rs. 1,34 crores. Including transactions in treasure, the net result is that India's total visible favourable balance of trade has increased from Rs. 26.54 crores to Rs. 60.63 crores.

Financial Year, 1938-39.

When history is moving at the speed at which it moves to-day, the record of a year which closed so long ago as last March must possess even less than the customary interest. I must, however, present it, and address myself herewith to a brief exposition of the financial results of the year 1938-39. In our revised estimates for that year we had expected to end with a deficit of Rs. 2,65 lakhs, but in the event this proved to be no more than Rs. 64 lakhs. This unexpectedly satisfactory result was due to an improvement of Rs. 1,51 lakhs in revenue and a reduction of Rs. 50 lakhs in expenditure.

On the revenue side the yield of Customs and Central Excise Duties improved considerably in the last months of the year, by 37 and 41 lakhs, respectively, while Taxes on Income produced as much as Rs. 1,24 lakhs more than our

revised estimate. Of this striking increase in Income-tax Rs. 56 lakhs were due to less refunds than estimated. Certain large claims were not completed during the year, and in other cases the sums due for Double Taxation Relief proved much lower than the amounts refunded in the previous year. But the main rise of Rs. 68 lakhs was due to increased collections of tax. I may add here that in view of the position disclosed by these large variations, the existing system has been re-examined and it has been decided to organise in the office of the Central Board of Revenue from the next financial year a special Statistical Branch. The assessment and collection returns sent in by the local officers have been revised and simplified so as to render them more useful for budget purposes and the returns will in future be received direct by the Statistical Branch and will be compiled by mechanical process. By this means figures of actual monthly collections will be available within a few days of the close of the month and this will make it easier to appraise more accurately the trend of income-tax revenues. At the same time, the opportunity has been taken to recast the form in which the annual Income-tax statistics are published, and to make them more intelligible and therefore more useful for general as well as for official purposes.

The main benefit of this increase in Income-tax receipts, as distinct from Corporation Tax receipts, accrued of course to the Provinces, and provided a set-off to the fall in the net contribution from the Railways. For reasons which have already been explained to the House, the Railway surplus proved to be Rs. 68 lakhs less than was anticipated. Thus while we had expected that Rs. 1,12 lakhs would be payable to the Provinces for 1938-39, the amount turned out to be Rs. 1,53 lakhs, in addition to which there were arrears of Rs. 38 lakhs due from 1937-38. As the sum distributed to the Provinces in March 1939 was Rs. 1,50 lakhs, there is thus left a balance of Rs. 41 lakhs to be paid to them along with their share for the current year.

FINANCIAL YEAR, 1939-40.

That is all I have to say about the year which closed last March, and I now come to the current year 1939-40 which will close at the end of next month. Here our revised estimates show a net improvement of Rs. 5,08 lakhs in revenue, and a net deterioration of Rs. 4,20 lakhs in expenditure as compared with the budget estimates. Of this increase in expenditure Civil Estimates are responsible for only Rs. 10 lakhs, despite various extra charges of a civil nature which the war has imposed on us, and practically the whole of the additional expenditure involved has been on account of the Defence Services. Thus while the budget estimates provided for a nominal surplus of Rs. 3 lakhs, we now expect to end the year with a balance of Rs. 91 lakhs.

Revenue.

I need hardly emphasize that the conditions under which the budget estimates of revenue were framed last year and which with slight modification persisted till the end of August underwent a striking change on the outbreak of war. Until then our revenue receipts were well up to expectation. But with the outbreak of war our Customs receipts, which are responsible for more than half our total revenue, registered a catastrophic fall, due to the interruption of trade with belligerent countries and the dislocation of shipping. This fall was shown with unmistakable clearness in the returns for October and November, but fortunately the sharpness of the drop has been mitigated to a considerable extent in the succeeding months. As compared with August 1939, imports dropped by 24 per cent. in September and 31 per cent. in October, but they revived appreciably in November and the more recent returns show that this recovery is being maintained, thanks to the steady improvement in shipping facilities brought about by the action of the allied Governments, and to the gradual adjustment of trade to the new conditions. In the result, if we exclude the effect of the duty on sugar, which was not strictly allocated between customs and excise, our revised

estimate for Customs is Rs. 41 lakhs lower than the budget estimate instead of being well above it as seemed at one time probable. Against this adverse effect on our public finance we must of course set the great stimulus which war has given to the trade of the country. To this influence is due the increase of Rs. 65 lakhs under Salt, Rs. 21 lakhs under Currency and Mint, and Rs. 1,48 lakhs in the Railway surplus. At the same time Taxes on Income show a further rise of Rs. 81 lakhs on the improved actuals of the previous year, which serves to increase the share payable to the Provinces from the budgeted Rs. 1,78 lakhs to an anticipated Rs. 2,38 lakhs.

Customs and Central Excise Duties.

Despite the fall in Customs already mentioned, the total receipts from Customs and Central Excise Duties combined are now expected to be Rs. 1,14 lakhs better than the budget estimate. This is mainly due to the variation in the receipts from sugar which is responsible both for the principal increase under Customs as well as for the main decrease under Excise. For the total revenue from both Excise and Customs duties on sugar, which at the time of the budget was estimated at Rs. 4,20 lakhs, had not been precisely apportioned between the two heads, the nominal figure of Rs. 4,00 lakhs being entered under Excise and Rs. 20 lakhs under Customs. In the event our forecast of this most variable source of revenue proved to be too low. With domestic production about 1,00,000 tons less than we reckoned, and imports correspondingly larger, the receipt from Customs duty is now put at Rs. 3,90 lakhs, while the Excise duty is expected to produce Rs. 2,00 lakhs by the end of this year.

If we exclude this head of revenue, which is always one of the most difficult to forecast, the Customs returns for the first six months of the year were running only slightly higher than the budget estimates, while the Excise returns omitting sugar showed only a slight decrease. I have already mentioned the striking change

which occurred with the outbreak of war. All imports from Europe were adversely affected, and while certain supplies were restricted and delayed by the lack of shipping, others derived from belligerent countries were completely discontinued. The estimates for such articles as machinery, metals, paper and silk fabrics have thus had to be written down by between 30 and 40 per cent. for the remaining six months of the year. Other commodities, however, whose import is not affected by the war, have maintained their former levels or have actually recorded increases. Thus motor spirit and kerosene, mainly imported from Burma, continue to show their normal steady improvement, while tobacco, spices and artificial silk show small increases.

The increase in the duty from silver from Rs. 33 lakhs to Rs. 1,55 lakhs deserves special mention. This is almost entirely due to the sales of Government silver from the Bombay Mint to meet the demands of the Indian bullion market. As is well known, the Government of India had been holding very large stocks of silver. These stocks could not be sold in the open market without forcing the price down to an extent which would have had a disastrous effect on the value of the holdings of silver in which the savings of the rural population had been extensively invested. When, however, on the outbreak of war an embargo was placed on the import of silver from non-sterlign countries, and a marked rise in price took place in the London market, the position was entirely changed ; it has since been possible to sell about 65 million ounces of silver from our surplus stocks to meet requirements, which were mainly on Indian account. Measures have also been taken with the aim of stabilising the price at a reasonable figure. These sales not only satisfied the internal demand without recourse to appreciable imports from abroad, which would have involved an unnecessary expenditure of foreign exchange, but produced a large amount of ready cash, which though taken as a credit to capital, as will be explained later, has materially assisted our ways and means position. At the same time since the price charged for

Mint silver included an amount equivalent to the import duty which is credited under the Customs head, these sales have also brought about a fortuitous increase of Rs. 1,22 lakhs in our Customs revenue.

The decline in the import of cotton fabrics of British manufacture appears to have been accentuated by war conditions, but there is a slight set-off in the increase recorded in the cotton fabrics imported from other countries. The drop in the proceeds of the jute export duty at a time of increased demand for raw jute and large orders for sandbags and other jute manufactures is mainly due to the shipping difficulty, though it is also clear that the very high prices previously in force had sharply restricted orders from abroad. However, with the recent decline in prices to more reasonable levels, orders from foreign countries may be expected to re-appear and on the assumption that sufficient freight space will become available in due course, next year's estimate of the export duty, and consequently of the shares paid to the Provinces concerned is put at the same figure as was adopted for the budget this year.

Under Central Excise Duties there is an addition of Rs. 8 lakhs on account of the cess levied on coal and coke which, though credited to revenue in the current year, has to be paid to the Coal Mines Stowing Board in the following year.

Taxes on Income.

The new high level in the yield from Corporation Tax and Income-tax reached in the year 1938-39 and largely due to improvements in the administration has carried on into the current year and has been further augmented by increases due to the passing of the Income-tax Amendment Act. Our revised estimate for the total yield from all taxes on income, including Corporation Tax and other elements entirely Central, is thus placed at Rs. 18,09 lakhs which is Rs. 81 lakhs more than the actuals for 1938-39 and Rs. 1,55 lakhs higher than the estimate of Rs. 16,54 lakhs adopted at the time of the last budget. As regards the

amount payable to the Provinces, the pool of divisible income-tax has increased from Rs. 12,65 lakhs to Rs. 13,76 lakhs. But in place of the previous arrangement by which the Centre retained from the moiety, which is to be ultimately provincial, an amount sufficient to bring its own share *plus* the Railway surplus to Rs. 13 crores, the Order in Council has now been amended so that in each of the three years beginning with the current year the Centre is to retain from the provincial moiety the fixed amount of Rs. 4,50 lakhs, which is approximately what the Centre would have retained according to the budget estimate for the current year. The justification for this alteration in the Niemeyer formula is of course the complete change in the financial situation brought about by the war. The Centre has had to shoulder the entire burden of the increased expenditure on Defence and an appreciable amount of extra civil expenditure arising from the war, while there has been very little corresponding increase in provincial expenditure ; at the same time the Centre's chief source of revenue, namely, the receipts from Customs duties, has been adversely affected. It would therefore have been anomalous if increased income-tax revenue, largely derived from these same war conditions, had accrued entirely to the Provinces, as it would have done under the old formula which also gave the Provinces the whole benefit from the increase in the Railway surplus. According to the revised formula now adopted the share of the Provinces on account of the current year will increase from the budget figure of Rs. 1,78 lakhs to Rs. 2,38 lakhs and with the arrears of Rs. 41 lakhs due for 1938-39, the amount for distribution to the Provinces at the end of March will become Rs. 2,79 lakhs.

Other Revenue Heads.

There is an increase of Rs. 65 lakhs under Salt which is mainly due to the larger clearances effected by the salt dealers whose tendency is to increase their stocks in times such as these. Consumption, however, does not vary appreciably from year to year, so that any extra revenue

obtained this year is likely to be off-set by a corresponding reduction in receipts next year. Under the head 'Mint' there is a gain of Rs. 33 lakhs due to the larger profits obtained from the circulation of small coin, the absorption of which has very rapidly increased in the last few months, but this is partly off-set by the decrease of Rs. 15 lakhs in the Government's share of the Reserve Bank's profits which are taken under the head 'Currency'. The net contribution from the State-owned Railways, which has in the last two years been a factor in the calculation of the Provinces' share of Income-tax, will, as already explained, now accrue in its entirety to the Central budget. There is an increase in the estimated surplus from Rs. 2,13 lakhs to Rs. 3,61 lakhs, which provides a welcome addition to our resources.

Posts and Telegraphs.

The budget and revised estimates for the Posts and Telegraphs are as follows :—

	Budget, 1939-40.	Revised, 1939-40.
	(In lakhs.)	
Gross Receipts	11,62	12,48
Working expenditure and interest charges	11,63	11,62

Although we had expected to close the year with a *small deficit,* the present indications are that we shall actually have a surplus of nearly Rs. 86 lakhs. Already in the earlier months of the year revenue was steadily on the up grade. But with the outbreak of war, almost all important classes of traffic showed abnormal increases, particularly telegraphs, and there was at the same time a rush on the telephone lines due to increased Government business and to activities in the share and money markets. The surplus now expected is thus almost wholly due to conditions in the earlier months of the war and it is gratifying that the Department expects to cope with this increased traffic—though sometimes under conditions of considerable difficulty—while keeping its expenditure within the sanctioned grant of the year.

Hon'ble Members are aware that with the commercialisation of the accounts of the Posts and Telegraphs Department the arrangement has been that the Department pays to general revenues interest on its losses and receives a rebate of interest on its profits. Under the existing arrangement, therefore, this surplus will accrue to general revenues, but as the losses incurred in previous years have now been paid back in full except for a final Rs. 7 lakhs, the net surplus of Rs. 79 lakhs will in effect form a reserve for the Posts and Telegraphs Department on which interest will have to be paid. To this extent the general taxpayer is obtaining immediate relief by incurring a future liability, a procedure which could of course not be extended indefinitely. It will be realized that as the present surplus is almost entirely due to the increased traffic resulting from the war, it must at this stage be regarded as of a transitory nature, and it would be unwise to base on it a policy of rapid expansion of the activities of the Department, or of reduction in existing rates.

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Expenditure.

Defence Services.—The outbreak of war has, as might be expected, seriously disturbed our estimates for the Defence Services and the task of estimating India's defence expenditure during 1939-40 has been rendered peculiarly difficult by the fact that it was not found possible until very recently to arrive at a settlement with His Majesty's Government regarding the principles to be followed for the purpose of allocating expenditure arising in India out of the war, between Indian revenues and the revenues of His Majesty's Government. Experience gained in dealing with a somewhat similar problem that arose in connection with the war of 1914—1918 showed the extreme importance of arriving at some broad basis of allocation which, while being fair to both parties, would obviate the serious accounting difficulties, prolonged controversies over questions of incidence, and delays in final adjustment, which arose during, and continued for many years after, that

war. The circumstances of the present war differ in many respects from those of the last war, and the problem to which I have just referred has become a much more difficult one. One development that adds more than any other to its complexities has been the acceptance by His Majesty's Government and the Government of India shortly before the outbreak of war of the proposals of the Chatfield Committee for the modernisation of the Army in India, an event of the highest importance and significance from the point of view of the defence of India though overshadowed for the time being by the war. Those proposals have already been made public and for my present purpose it is only necessary to recall their two main financial features, namely, the arrangements for meeting the capital and recurring costs of the modernisation measures involved, and the conception of joint responsibility for the external defence of India underlying the whole scheme.

It will be recalled that the capital outlay on modernising the Army in India, estimated at Rs. 45,77 lakhs, was to have been provided by His Majesty's Government, three-fourths as a free gift to India and the balance of one-fourth as an advance to be repaid on easy terms. It was anticipated that the average net recurring cost of the Defence Services during the 5-year period allotted for carrying out the proposals would not exceed the level of Defence expenditure obtaining immediately prior to modernisation because there would be substantial savings during the first two years which could be devoted to meeting excesses in the later years.

The outbreak of war necessitated a review of these calculations. The programme of modernisation had necessarily to be adapted to the needs of the situation which then arose, and the review of the programme which had to be undertaken on the outbreak of the war coupled with the rise in prices since the war resulted in a great increase in the capital and recurring cost of the scheme over that previously envisaged and in the disappearance of most of

the savings that were expected to accrue during the earlier years of its execution. It was therefore clear that the terms of the original financial settlement which contemplated an ordered and balanced programme of modernisation extending over a period of years would inevitably require reconsideration. It will also be recalled that the Chatfield proposals postulated the acceptance by the Government of India of joint responsibility with His Majesty's Government for the external defence of India and in accordance with this principle provided for the earmarking of certain portions of the Defence Forces in India for purposes of external defence and a consequential increase of £500,000 in the amount of the annual grant made by His Majesty's Government towards the cost of maintaining the Defence Services in India in peace. It was stipulated that whenever circumstances should make it necessary to employ the whole or any portion of India's External Defence Forces outside Indian limits in the discharge of India's joint responsibility for her external defence, India should accept some share of the costs of doing so. In any settlement of the problem of incidence of war expenditure therefore this stipulation has to be borne in mind, since these External Defence Forces are now being employed overseas on duties connected with India's external defence. The position is further complicated by the fact that further troops other than those forming part of the External Defence Forces have been and will probably continue to be sent overseas and these troops generally speaking have to be replaced in India. In India itself heavy expenditure has also been incurred in mobilising to full production and in increasing the manufacturing capacity of our ordnance factories for the production of war stores of all kinds and in building up stocks. There is also a very substantial increase in our defence expenditure owing to the putting into force of various war measures, some of which, such as those relating to censorship, port and coastal defence, internment of enemy aliens, etc., are purely Indian liabilities, while others such as the expansion of various recruiting and

training organisations, headquarters offices, etc., may be regarded as joint liabilities to be shared between the Indian and Imperial Governments.

In view of all these complicating factors it was felt that it would be quite impracticable to arrive at an accurate assessment of the defence expenditure chargeable to Indian revenues by a meticulous application of the principles laid down for the allocation of such expenditure between India and His Majesty's Government under peace conditions. Not only would such a course involve an immense amount of clerical work and consequent expenditure but it would revive all the difficulties experienced in connection with the accounts of the last war in an aggravated form. The matter has formed the subject of prolonged discussions with His Majesty's Government who shared our desire to simplify the arrangements and eliminate controversial elements to the utmost extent possible. An agreement on the subject has now been reached under which the whole of the defence expenditure incurred by India will be apportioned between the two Governments on the following basis. India is to bear—

(1) a fixed annual sum representing the normal net effective costs of the Army in India under peace conditions, *plus*

(2) an addition to allow for rises in prices, *plus*

(3) the cost of such war measures as can be regarded as purely Indian liabilities by reason of their having been undertaken by India in her own interests, and

(4) a lump sum payment of one crore of rupees towards the extra cost of maintaining India's External Defence Troops overseas.

The total amount by which the net annual defence expenditure incurred in India during the war years will exceed the aggregate of items (1) to (3) will be recovered

from His Majesty's Government. The question of the disposal of surplus war stores has also been considered. During the war there will be accumulated considerable quantities of war stores of all descriptions which will be surplus to peace requirements when the war is over. The liquidation of these stocks will inevitably be attended with loss and it has been decided that the incidence of this loss should form the subject of negotiations between the two Governments after the war. In the meantime the whole cost of these surpluses is being met by His Majesty's Government. There remains a further element of defence expenditure to be considered, namely, that on non-effective charges for pensions and gratuities. The allocation of these charges is still under discussion between the two Governments. This settlement has been devised with two objects in view. The first object was to limit India's financial liability in connection with the war to such measures as are within her financial capacity and have clearly been or will be taken for the local defence of India itself, reckoning, of course, as such a measure the continued maintenance of the Army in India although only on its peace-time scale. The second object was simplicity, resulting in the avoidance of expense and dispute in the day-to-day application of the terms of the settlement in practice. Item (1) of the settlement has been evaluated at 36,77 lakhs, being the net budget estimate for our Defence Services in the year 1939-40, namely 45,18 lakhs after excluding from it non-effective charges of 8,41 lakhs which have been excluded from the settlement. I would emphasise that this item of 36,77 lakhs in the settlement is not an estimate of any specific expenditure on our Defence Services such as was the budget estimate of 45,18 lakhs for the year 1939-40 from which it is derived, but has now become a mere lump sum financial adjustment between the Government of India and His Majesty's Government fixed for the duration of the war. It is not a summation of details of estimated expenditure, and consequently in the budget as presented to the House no

details are shown against it. The second item in the settlement is self-explanatory and will be arrived at by the application to the relevant figures of the normal budget, from which item (1) is derived, of percentages representing rises in prices from time to time worked out in consultation with the Economic Adviser to the Government of India. It is really part and parcel of the normal maintenance costs of the Army in India but has been shown separately from item (1) for the sake of clarity because its amount is not fixed but will vary with variations in price levels. The third item, namely, those measures which we must pay for ourselves, will as far as possible be determined by direct accounting but where this presents serious difficulty, the amounts debitable to India will be assessed on the basis of estimates. I trust that the House will appreciate that the safety of the country may be endangered by the publication of too much detail concerning the measures included in this item or their cost. Nevertheless I realise that Hon'ble Members are entitled to such information concerning these measures as can be disclosed without divulging knowledge contrary to the public interest, but I hope that, bearing this qualification in mind, they will be satisfied with only a broad indication of their nature.

The measures are designed to place India in a state of preparedness against attack and are dictated by ordinary prudence. Thus the Indian Territorial Force and Auxiliary Forces have been mobilised and are either already fulfilling their appointed role or are ready, at a moment's notice, to do so. Certain Indian State Forces have been called on either to undergo periods of refresher training or to take their appointed place in our defences. Certain miscellaneous units, not usually held in peace, but included in our mobilisation plans, have been formed and mobilised. The offer of His Highness the Maharaja of Nepal to place at our disposal a contingent of his troops largely at his own expense provides a valuable addition to our resources. It will be remembered that during the last war the Maharaja of

Nepal also generously supplied a large contingent of trained regular troops which did admirable service in active operations on the Frontier. Training of all arms of the service has been expanded and intensified and additional training schools have been established. The censorship of mails has been put into effect and undesirable aliens have been placed in safe custody. Certain measures of port defence and of local Naval Defence have been taken and as the House is already aware, a Volunteer Auxiliary Air Force has been established. All these measures necessitate buildings for the accommodation of the additional forces and of stores, and expenditure on such works has been provided for. The payment represented by item (4) was included in the settlement in pursuance of the principle of India's joint responsibility for her external defence on which the Chatfield settlement was based. It must be remembered that His Majesty's Government, for their part, have agreed to continue to implement during the war, at greatly enhanced cost to them, the Chatfield programme for the modernisation of the Army of India. The payment towards the extra cost of the External Defence troops will be made in the current financial year. I trust that the House will agree with me that the settlement which has been reached is favourable to India and has been conceived by His Majesty's Government in a generous spirit. It is of course inevitable that India's Defence Budget should increase even though this country is not at the moment directly involved in active operations. Even a neutral country cannot escape the effect of rises in prices resulting from the war and must moreover in times like these take such precautionary measures as are within its means to safeguard its position by mobilising its resources both of men and materials where necessary. It is devoutly to be hoped that such measures as we have taken will prove in the event to have been unnecessary, but, of course, I cannot even hazard a guess at what the future has in store for us, nor at what further measures it may be found imperative for us to take. The settlement has been brought into

force with effect from the 1st April 1939 since its introduction in the middle of a financial year would have given rise to serious difficulties.

The revised estimates of Defence expenditure for 1939-40 framed on the basis of this settlement work up to Rs. 49,29 lakhs made up as follows :—

	Rs. (in lakhs).
(1) Normal peace budget	36,77
(2) Effect of prices on (1)	25
(3) Indian war measures	3,86
(4) Non-effective charges	8,41
	49,29

The increase of 25 lakhs for non-effective charges is due to a change in the classification of Special Unemployed pay from effective to non-effective, which, in practice, will only be operative in the current year. The budget figure of Rs. 45,18 lakhs has thus undergone an increase of Rs. 4,11 lakhs, of which Rs. 35 lakhs is due to disturbances in Waziristan and the balance of Rs. 3,76 lakhs represents the effect of the war on India's defence budget during 1939-40. I have already given an indication of the broad details of this increase. The contribution of Rs. 1 crore, to which I have already referred, has been included as an Indian war measure as a matter of budgeting convenience.

Civil Estimates.

With the increased co-ordination and control necessitated by the war, the activities of most of the Departments of the Central Government have expanded and Government has also had to undertake a number of fresh activities for which special controlling authorities have had to be created. The most important of these from the point of view of finance is the Department of Supply, which was set up immediately before the outbreak of hostilities for the development and speedy procurement of supplies essential

for the prosecution of the war. Though not itself a purchasing organisation, the Department directs and co-ordinates the various purchasing organisations of the Government of India and is establishing an increasingly close contact with the Provincial Governments and Indian States. Its main purchasing agencies are the Indian Stores Department and the Contracts Directorate, the cost of whose war expansion is a charge against its budget, and it has associated with it a number of Liaison Officers and Advisers to Government for the various industries and trades concerned; these are rendering valuable services on a voluntary basis, receiving only their own travelling expenses and a small monthly grant for office staff and contingencies. In the first five months of its existence the Supply Department has received orders from His Majesty's Government, from France, Australia, New Zealand, South Africa, Egypt, Palestine and many other countries amounting in value to over Rs. 14 crores, the largest orders in addition to munitions and military equipment being for sandbags, blankets, cotton and leather goods, steel work, cement and other building materials. The expenditure on the entire organisation to deal with these orders is estimated at about Rs. 7½ lakhs in the current year, of which about half is on account of the two main purchasing agencies. But as a charge of 3 per cent. is levied on all supplies made to overseas authorities, including His Majesty's Government, it is expected that the expenditure will be covered by the fees realised on these orders which are shown as additional receipts in our revenue accounts. It has also been necessary to appoint a Controller of Enemy Firms and Custodian of Enemy Property, and to incur expenditure of about Rs. 2 lakhs in connection with interned enemy subjects. Other emergency measures are the establishment of the Censorship organisation, the appointment of a Director General of Information and the formation of the War Transport Board to control and co-ordinate all forms of transport including shipping. In making these fresh appointments I can assure the House that considerations of economy were

fully borne in mind and that the principle followed was that there should be no increase in pay merely on account of transfer to a war post and that a higher salary should only be sanctioned where the definite assumption of more responsible and arduous duties justified such extra remuneration.

The Government of India also became liable for a number of further items of war expenditure, for many of which they have had to make either payments to the Provinces for the work done by them, e.g., in connection with foreigners and the censorship arrangements, or grants-in-aid for special purposes, such as Air Raid Precaution schemes. The total estimated cost of this special war expenditure borne by Civil Estimates comes to Rs. 16 lakhs for the current year.

A further appreciable item of fresh expenditure this year has been the cost of the famine relief measures undertaken in Ajmer-Merwara and Delhi. Owing to the failure of three successive monsoons, relief works had to be started in Ajmer-Merwara last August and the number of workers employed increased each month till it reached the figure of 200,000 in January. The wages to be disbursed to the labourers then amounted to Rs. 6 lakhs a month. To deal effectively with expenditure of this scale it became necessary to create a separate Famine Division. With nearly 40 charges to be organised and with the distressed population swelled by large numbers of labourers and their dependents from the neighbouring States, the cost is likely to be not less than Rs. 16 lakhs this year.

Under charges for Interest we now expect a welcome reduction of Rs. 39 lakhs as compared with the budget estimate for the current year. This is mainly due to the saving of Rs. 34 lakhs effected by the conversion operations carried out in the current year and to the further reduction of Rs. 48 lakhs in the amount of bonus paid on Post Office Cash Certificates due to the lower rates of interest carried by the certificates now being presented for encashment.

Against these reductions there has been an increase of Rs. 33 lakhs in the discount on Treasury Bills; for there was a larger gap between revenue and expenditure to be filled by temporary borrowing at the beginning of the war and somewhat higher rates of interest have also been in force.

Thus our Revised Civil Estimates for the current year are expected to amount to Rs. 37,56 lakhs, as compared with the Budget estimate of Rs. 37,46 lakhs. With the net Defence Expenditure placed at Rs. 49,29 lakhs, our total expenditure is estimated at Rs. 86,85 lakhs as against our total revenue of Rs. 87,76 lakhs. We therefore expect to end this year with a surplus of Rs. 91 lakhs, the result of increased contributions from the Railways and the Posts and Telegraphs. In the ordinary course this surplus would have constituted an automatic addition to the provision for the avoidance or reduction of debt, but in view of the special difficulties of the forthcoming year I shall ask the House to transfer the surplus of the current year to a Revenue Reserve Fund. It will thus be available to help out the finances of 1940-41.

FINANCIAL YEAR 1940-41.

I now come to the financial year, 1940-41. Our total revenue estimates amount to Rs. 85,43 lakhs as compared to Rs. 87,76 lakhs in the revised estimates of this year. This includes the greatly increased sum of Rs. 5,31 lakhs which the Railways are expected to contribute to general revenues next year under the operation of the Railway Convention. As Hon'ble Members will recollect from the speech of the Railway Member, this amount is based on the full contribution of Rs. 4,41 lakhs for next year, which is 1 per cent. of the capital at charge less the loss on strategic railways, *plus* the arrears of contribution amounting to Rs. 90 lakhs from the current year.

Revenue.

Customs and Central Excise Duties.—Next year's budget estimate for Customs and Excise combined is

Rs. 46,00 lakhs against the current year's revised of Rs. 50,07 lakhs, a decrease of Rs. 4,07 lakhs. There is first of all a reduction of Rs. 90 lakhs in the yield from the duty on sugar due to the larger anticipated production of indigenous sugar and a consequent decrease in the probable imports from abroad. Then we have to exclude the additional customs revenue from silver to the extent of Rs. 1,20 lakhs over and above the average receipts on this account which must be treated as a windfall this year. For the rest we have had to allow for the continuance of the shortfall which averages about 20 to 25 per cent. in those goods, the imports of which have been seriously interfered with by the war. While many of the heads of Customs revenue remain unaffected, about half have suffered decreases of varying extent. The reductions from this cause over a full year are responsible for the remaining drop of Rs. 1,97 lakhs as compared with the revised estimates for the current year, the first six months of which was a period of increasing trade and large imports.

The forecasting of the Customs revenue, with which the revenue from Central Excises is inseparably connected, involves a view of the course of our foreign trade for a period extending to more than a year ahead, and is at all times a matter of great difficulty. Usually the best that the estimator can do is to base his calculation on the assumed continuance of the tendencies already visible, and to take into account any additional factors of the probable emergence of which he has reasonably reliable knowledge. It is obvious that in the circumstances of the war the task is rendered even more difficult by major uncertainties of a kind unparalleled in peace. It is not merely that our Customs revenue is dependent entirely on the maintenance of the shipping position and that even a partial diversion of freight may interfere seriously with the scale of our imports. It has also to be borne in mind that in the interests of the successful conduct of the war, which is a paramount consideration, it may be found necessary to restrict certain

classes of imports, though this may have an adverse effect on our Customs receipts. In the light of these considerations the present estimates, which allow a margin of less than 2 crores for the factors of deterioration arising from the progress of the war, can certainly not be said to err on the side of pessimism. They take full account of the improved returns of the last two months, but for which it would have been unjustifiable to adopt so favourable a view.

Taxes on Income.—Our revised estimate for the total yield from all taxes on income for the current year which has been placed at Rs. 18,09 lakhs, is based on the conditions of the preceding year, the latter months of which showed an improvement in trade activity. This was maintained during the first half of this year, while the succeeding months since the outbreak of war have, as I have already mentioned, seen a trade boom of considerable dimensions. There can be little doubt that the incomes on which next year's assessments will be made will be appreciably larger. On this account we have raised the estimate of the yield from all taxes on income by a further Rs. 1,41 lakhs to give a total for both Income-tax and Corporation Tax of Rs. 19,50 lakhs. Of this increase Rs. 1,24 lakhs goes to swell the divisible pool of Income-tax so that the share of the Provinces is expected to reach the figure of Rs. 3,00 lakhs next year as compared with Rs. 2,38 lakhs this year.

Other Revenue Heads.—There is a large decrease of Rs. 80 lakhs under Salt as compared with the Revised. This is based on the view that the exceptionally large clearances that are being effected this year will result in larger stocks than usual being carried on into next year when the demand for fresh supplies from the salt works will be correspondingly reduced. Under Mint there is a further increase of Rs. 10 lakhs from the anticipated absorption of small coin, and the estimate under Currency includes an

additional Rs. 20 lakhs from the Government's share of the profits of the Reserve Bank.

Posts and Telegraphs.—For the next year the revenue of the Posts and Telegraphs Department is expected to be Rs. 12,35 lakhs and expenditure Rs. 11,98 lakhs. The first rush of war traffic having passed, revenue is expected to be somewhat smaller than in the current year. The restrictions imposed in the earlier months of the war on foreign code telegrams have been withdrawn and the estimate allows generally for more settled trade conditions. These considerations justify a somewhat lower forecast than in the current year. The estimated expenditure is about Rs. 40 lakhs more than in the current year. The main reasons for this are increases in staff to deal with increased traffic, the extension of postal facilities in rural and urban areas and the decision to raise the limits for petty works of a capital nature debited to revenue. The Department has, during the last few years, been making a substantial effort to extend postal facilities in rural and urban areas ; and in the year 1940-41 it will on this account be spending over 19 lakhs more than in the year 1936-37. The number of new post offices opened during the three years ending with 1938-39 is nearly 2,200 of which more than 2,000 are in rural areas. The low limits for petty works of a capital nature, the expenditure on which is met out of revenue, attracted the attention of the Public Accounts Committee. After a careful review of the position, it has now been decided to raise these limits which, in most cases, were excessively low. The increased charge to revenue is justified by the avoidance of numerous petty additions to capital account and by the consequent reduction of interest and depreciation charges.

Expenditure.

Defence Services.—The Defence Budget for 1940-41 worked out on the basis of the settlement with His Majesty's Government which I have already explained

amounts to Rs. 53,52 lakhs made up of the following elements :—

	Rs. (In lakhs)
(1) Basic normal budget	36,77
(2) Effect of rise in prices on item (1)	2,00
(3) India's war measures	6,59
(4) Non-effective charges	8,16
	53,52

The normal provision for non-effective charges has been repeated. The substantial increase in the amount provided on account of rise in prices as compared with the figure shown in the Revised Estimates is explained by the fact that most of the contracts for stores required by the Defence Services for 1939-40 were placed before the outbreak of war and were therefore unaffected by the subsequent rises in prices, whereas in 1940-41 the full effect of those rises will be felt. Excluding a sum of Rs. 20 lakhs included in item (3) on account of Waziristan the balance of the amounts shown against items (2) and (3) representing the total extra expenditure which will be thrown on the Defence estimates payable by India as a result of the war is Rs. 8,39 lakhs. The main details of this increase will be found under Head 4 of the budget estimates and I have already referred to them. I would remind the House that His Majesty's Government are spending on measures directly connected with the Defence of India sums greatly in excess of this, but I am not for obvious reasons able to disclose either the nature of the measures or the amounts involved. I must make it clear that the Defence Budget under Head 4, namely, those measures which will be charged to Indian revenues provides for only such measures as can now be foreseen. It will be realised that as the year progresses new measures of this category will most probably have to be initiated of the nature of which we have at present no knowledge, and the additional cost

of which to Indian revenues may be considerable. I had considered the desirability of making some lump sum provision for such unknown charges but as I cannot prophesy the course of the war, and as there is no sort of basis on which any figure at all can be arrived at, I decided that there was nothing to be gained by attempting to make specific provision for such liabilities.

Civil Estimates.

Despite the exclusion of all new proposals that could not be regarded as virtually unavoidable at the present time, our civil expenditure estimates show increases amounting to Rs. 1,51 lakhs in all as compared with the current year's revised estimates. I must now explain the major items that have contributed to this result.

There are first certain increases of an automatic nature which are either obligatory or are counterbalanced by increased credits on the revenue side. Thus the allocation to the Road Fund has had to be raised by Rs. 12 lakhs on the basis of the revenues obtained from the duties on motor spirit, which this year are expected to be higher. Then an additional Rs. 8 lakhs on account of the Coal Cess credited to revenue this year has to be provided under Central Excise Duties for payment to the Coal Mines Stowing Board next year. The much larger demand for small coin, which is expected to produce the substantial profit for Government shown in the revenue estimates, is responsible for an increase of Rs. 7 lakhs in the expenses of the Mints and the larger demand for bank notes, which is also a feature of the present expansion in trade activity, has caused an increase of Rs. 13 lakhs in the expenditure of the Currency Note Press. The rise in prices together with the necessity of increasing stocks to a level considered adequate in time of war is again responsible for the additional expenditure of Rs. 4 lakhs under Stamps. There is also unfortunately little hope of the famine conditions in Ajmer-Merwara coming to an end before the arrival of the

monsoon and a further sum of Rs. 16 lakhs has to be provided for the continuance of the present relief works into next year.

The special civil expenditure in connection with the war already mentioned will in a full year amount to Rs. 37 lakhs as compared with Rs. 16 lakhs this year. It has, however, to be remembered that of this sum the expenditure on the Department of Supply will account for Rs. 23 lakhs, against which has to be set off the Rs. 20 lakhs of revenue which it is estimated will be realised from fees.

At the same time it has become necessary to restore the full provision for the maintenance and repair of civil works which was severely cut in each of the two previous years as a part of the economy campaign. For it has been found that if we were to continue to restrict this expenditure to the reduced amounts made available in the last two years, it would be impossible to maintain these Government assets at a proper standard; as the resultant deterioration would only necessitate a much greater outlay at a later date, the achievement of some temporary saving by this means would be false economy. The provision for maintenance has therefore had to be increased by Rs. 15 lakhs. Certain works in progress such as the new Custom House at Calcutta have had to be completed and a number of urgent projects, which had been postponed from earlier years, could be delayed no longer. On both these accounts the provision for Civil Works had had to be raised by Rs. 21 lakhs. The programme of civil reconstruction for Quetta, originally fixed at Rs. 25 lakhs a year, had also been drastically curtailed in recent years owing to the economy campaign, so that it had dropped far behind the military programme and to make up some of this leeway it has been necessary to increase next year's grant from Rs. 14 lakhs to Rs. 20 lakhs.

As regards new schemes, the general principle adopted was that all forms of avoidable expenditure should be eliminated but that expenditure, which, on a broad view,

would assist in the mobilisation of the economic resources of the country and further the successful prosecution of the war should not be rejected. At the same time it was not considered desirable to restrict the grants to the development departments to an extent which would have crippled their beneficent functions and in a number of cases, the natural expansion of their activities has made the provision of additional funds essential.

Thus there is the important expansion in civil aviation for which we are providing an additional Rs. 25 lakhs about which I should like to say a few words. Hon'ble Members will recollect that in 1935-36 a Fund of about Rs. 93 lakhs for the development of civil aviation was created out of the revenue surplus of the previous year. Since then capital expenditure on civil aviation projects has been financed out of this Fund which at the end of the current year will have an unspent balance of about Rs. 4 lakhs. With the progress that is being made in civil aviation the need for bringing the organisation connected with the trans-continental traffic as well as with the inland routes up to modern requirements has become imperative. Owing to our limited resources, development has in the past been restricted to the essential minimum. We must, however, continue to provide facilities and conform to international standards. Though it is not possible with our existing resources to divert a large sum for the purpose, it has been decided that the Civil Aviation Capital Fund shall continue to be maintained; but instead of a lump sum contribution, it is proposed to contribute to it a sum of Rs. 25 lakhs each year for the next seven years. This will enable the Civil Aviation Department to carry out the long-term programme which it has in view.

I need hardly stress the fact that the justification for undertaking a large programme of Civil Aviation Works in time of war is closely bound up with defence. The Air Force in India must have their own aerodromes for the permanent accommodation of their squadrons and depots, but away from their permanent bases they must have an

organisation of aerodromes, wireless stations, meteorological stations, etc., to enable them to move to and operate in any part of India. The development of civil aviation also depends on the prior provision of such an organisation, and it needs little demonstration that one organisation can and should serve both purposes. That has been the policy and practice in this country. Since the development of civil aviation began, the Royal Air Force has depended largely on the civil aerodrome organisation for all its casual operations. The war has intensified the demand. With the rapid development of high speed aircraft, many of our aerodromes even now are not suitable for the operation of the types of Service and civil aircraft in use. Large parts of the country cannot be reached at all by air. This is a situation which must be remedied—in war for defence purposes and after the war for the development of commercial aviation. A good civil organisation will meet the needs of the Air Forces, but the reverse is not true. Government have therefore decided to meet the emergent demands of defence while planning the works as an asset in the development of civil aviation after the war.

In regard to Delhi University, Government were under an obligation which they had accepted some years back and which could not be postponed indefinitely to assist a scheme for its development as an All-India University. On the basis of a programme drawn up by the Vice-Chancellor, Sir Maurice Gwyer, Government have decided to make a non-recurring grant of Rs. 8 lakhs spread over a period of five years and to increase the recurring grant to the University by Rs. 25,000 a year rising to a maximum of Rs. 1 lakh in the fourth year. Half of the non-recurring grant will be used to assist the constituent colleges to move to the University site and the remainder of the money will allow a start to be made on the re-organisation of the University by the provision of science laboratories, a library and research scholarships and the establishment of a number of Professorial Chairs and Readerships. This will involve an additional grant of Rs. 2¼ lakhs next year.

The Government of India have also agreed to take over from the beginning of the next financial year the Public Health Section of the Malaria Institute which is controlling the anti-malaria works round Delhi Province as well as advising Provinces and Indian States on malaria problems. This was formerly financed from the funds of the Indian Research Fund Association and the transfer will involve an additional commitment of Rs. 1 lakh. With the opening of the two new stations at Dacca and Trichinopoly and the expansion of their news broadcasts on account of the war, All-India Radio has required an additional Rs. 4 lakhs. But they must also be given credit for the fact that there has been a large increase in the number of wireless licences. Against about 72,000 licences in March 1939, it is expected that there will be at least 100,000 licences next year.

Finally the Decennial Census, in continuance of the series which has been maintained since 1872, is due to be held in 1941, and it has been decided that to avoid any interruption of the statistics which are so vital for many purposes the primary work of enumeration shall be undertaken at the due time. This will involve an expenditure of Rs. 12½ lakhs next year. The question of undertaking the more substantial task of compilation is to be decided at a later date.

SUMMARY.

In this way the expenditure detailed in the civil estimates comes to the figure of Rs. 39,07 lakhs, as compared with Rs. 37,56 lakhs for the current year. With the provision for the Defence Services placed at Rs. 53,52 lakhs, our total expenditure estimates amount to Rs. 92,59 lakhs. At the same time, on the basis of existing taxation together with the increase in the Railway contribution to the full figure of Rs. 4,41 lakhs *plus* in addition a special sum of Rs. 90 lakhs as arrears for the current year, our

total revenue is estimated at Rs. 85,43 lakhs. The figures are therefore—

	(lakhs)
Revenue	85,43
Expenditure	92,59
Prospective deficit	7,16

WAYS AND MEANS.

Before I proceed to explain my proposals for dealing with this deficit, I must turn aside to give a brief account of our ways and means position.

New Loan.—The outstanding balance of the 5 per cent. Loan 1939—44 which we had the option of redeeming this year, was notified for discharge early in the year and in July the Government of India floated a further combined cash and conversion issue of the 3 per cent. Loan 1963—65. The issue was made at a price of Rs. 98 and the 5 per cent. Loan 1939—44 and the 5 per cent. Loan 1940—43 were accepted in conversion. The total subscriptions applied for and allotted amounted to Rs. 15,72 lakhs, of which Rs. 8,24 lakhs represented conversions of the 5 per cent. Loan 1939—44; the discharge of the remaining balance of the 5 per cent. Loan 1939—44 was duly effected by an increase in our temporary borrowing. Next year we have the option of redeeming the remainder of the 5 per cent. Loan 1940—43, the outstanding balance of which is a little under Rs. 19½ crores. The time and manner of the redemption will of course depend on market conditions and our ways and means position.

Sterling Position.—With the great improvement in the balance of trade that has taken place during the year, the Reserve Bank has made considerable purchases of sterling, the total for the first 10 months aggregating approximately £53 millions. This may be compared with the figure of £12½

millions for the corresponding period of last year and £15 and £41 millions in those of the two previous years. With the repayment of foreign debt, which we have been effecting continuously for some time past our sterling requirements are naturally decreasing year by year. Moreover in the current year the amount of sterling we require has been still further reduced by special circumstances. Large purchases of raw materials and goods made in India on behalf of His Majesty's Government have been paid for by us in the first instance and we have been recouped by payment of sterling into our account in London. We have also had large sterling receipts on account of recoveries from His Majesty's Government for their share of the war expenditure incurred by India as well as for their contribution towards the expenditure on defence modernisation in accordance with the report of the Chatfield Committee. Again the sales of Indian Government silver which were formerly arranged through the London market, where we had an organisation that had been selling silver for us since 1927, resulted in nearly £8 millions being paid to us in sterling. Our net sterling requirements are therefore now estimated at no more than £10½ millions in the current year and £11½ millions next year, as against the budget estimate of £27 millions and an average of £38 millions required in each of the three previous years.

Repatriation of Sterling Debt.—In addition to expanding their currency reserves, the large acquisitions of sterling already mentioned have enabled the Reserve Bank to put considerable amounts at our disposal for the repatriation of our sterling debt. The desirability of repatriating sterling debt has been constantly before Government and the Reserve Bank for the last three years. A beginning was made in 1937 but it had to be temporarily discontinued owing to the slackening of our remittances. However in this period we have been able completely to liquidate our liabilities on account of the Family Pension Funds transferred to England to the amount of £9½ millions. We have

now first of all taken the opportunity provided by the availability of sterling to reopen the former scheme by which the Reserve Bank is authorised to purchase our sterling non-terminable securities in the open market as amounts become available and to transfer the securities so purchased to us for cancellation. In their place additional rupee paper of the 3½ per cent. and 3 per cent. non-terminable loans is created up to the same nominal value, which is issued gradually by the Reserve Bank in accordance with the requirements of the market. Throughout the period of these operations the market price of 3½ per cent. rupee paper has consistently shown a steady rise, and it is clear that the additional rupee securities thus created to finance this debt repatriation have served to supply an actual need of investing institutions and have not been in excess of the demand. Also since the average sale price has been higher than the average purchase price of the sterling stock in London, we have made an appreciable saving on the transfer which, as before, is being taken not to revenue but to capital as a small additional contribution towards the redemption of debt. A further scheme for the repatriation of sterling which has just been brought into force extends the option of transfer to rupee loans to holders of all our sterling loans. The Reserve Bank is being authorised to open books for rupee counterparts of our sterling loans and transfers will be allowed on payment of a premium which will be fixed from time to time according to the market rates with a small margin where possible in favour of the transferor. In order to introduce these new loans to the market Government at first will issue them on its own account in conversion of sterling securities purchased by it. Thereafter from the 1st April next these facilities will be open to the public on terms based on the sterling and rupee market prices of the respective loans which will be announced by the Reserve Bank from time to time. By this means we hope to bring about an appreciable substitution of rupee liabilities to residents in India in place of sterling liabilities to non-residents, which will be a valuable relief

to our remittance programme in future. So far the total value of sterling securities acquired for the purpose of debt repatriation is approximately £9 millions and this should be considerably augmented in the coming year.

Treasury Bills.—In the current year we had originally expected to be able to effect a reduction of 6 crores in the value of treasury bills outstanding. Actually it is probable that by the end of the year treasury bills will have been expanded by 1 crore to leave an outstanding balance of a little over 47 crores. This is mainly due to the larger expenditure that has had to be financed on account of the war and to the restriction which the uncertainties of the international situation imposed on the scale of our loan operations this year. The expansion would, however, have been considerably larger but for the sales of Government silver to the amount of about Rs. 11 crores, the proceeds of which have gone to reduce very considerably the outstanding balance of the silver debt which at the beginning of this year stood at approximately Rs. 48 crores. Next year after providing for a further payment of 5 crores to the Reserve Bank against surplus rupee coin returned by them, we expect to be able to reduce outstanding treasury bills by approximately 8 crores. During the last few years there has been a steady return of rupee coin from circulation, but with the increased demand for currency that has now arisen, the process has been reversed and the balance of rupee coin held in the Issue Department of the Reserve Bank has dropped from Rs. 76 crores on the 8th September 1939 to a little over Rs. 59 crores in the Bank's return of the 9th February. If the outflow of rupee coin continues at the same rate the Reserve Bank may not wish to exercise its option to return a further 5 crores of rupees on April 1st and if they desire not to do so the ways and means position will be easier to the extent of 5 crores.

Post Office Cash Certificates and Savings Bank.—The revised ways and means estimates allow for a net repayment of Rs. 2,63 lakhs in respect of cash certificates as

compared with the budget estimate of Rs. 50 lakhs. while under Postal Savings Bank deposits we are reckoning on a net cash outgo of about 5½ crores against the estimated receipt of Rs. 3,75 lakhs in the budget. This deterioration in respect of both Cash Certificates and Savings Bank deposits is mainly due to the larger withdrawals which were made in September and October. There was, however, no such panic as that which took place at the outbreak of the last war, when 40 per cent. of the deposits in the Post Office Savings Bank were withdrawn between August and December 1914 and did not begin to return till after March 1915. On this occasion the total withdrawals during the first three months amounted to no more than 6 per cent. and these were mainly due to the larger demand for cash for trade purposes. Since then there has been a noticeable improvement in the position and withdrawals have dropped to a very small figure. Accordingly for next year our estimates provide for a net repayment of Rs. 1,50 lakhs under Cash Certificates and an increase of Rs. 2,00 lakhs in cash in Post Office Savings Bank deposits.

RAILWAY BUDGET.

Extract from the proceedings of a meeting of the Legislative Assembly held in New Delhi, on Thursday, 16th February, 1940.

Speech of the Railway Member (the Hon'ble Sir Andrew Clow).

Sir,—I rise to present to the House the Railway Budget for 1940-41. The immediate financial position of the railways is better than it has been for many years; but the comparative prosperity we are enjoying must be traced in large measure to the war, and is thus very dearly bought. We cannot forget that these trifling gains are an incidental result of a cataclysm which is bringing tragedy and hardship to multitudes; nor should we forget that a conflict which diverts a substantial part of the productive capacity in many countries, including India, to purposes of destruction must leave the world poorer, and must create in the end

financial difficulties for the peoples, which our railways cannot hope to escape.

I.—Accounts for 1938-39.

2. When last year's budget was presented, it was anticipated that the accounts for 1938-39 would show a surplus of Rs. 205 lakhs. Unfortunately only two-thirds of this surplus was actually realized. Working expenses exceeded the estimated total by 49 lakhs and interest charges went up by 2 lakhs, while the receipts fell short of the revised estimate by 17 lakhs. Thus the year ended with a surplus of only 137 lakhs. Under the moratorium approved by this House, that sum went to general revenues, and under the Niemeyer award, provincial revenues secured the benefit. The sum fell far short of the contribution for which the railways are liable under the Convention approved by this House in 1924; and under the moratorium approved by this House, the balance went unpaid.

3. The depreciation charges for the year were met, an amount of a little over 12½ crores being appropriated to the fund from revenue. As the expenditure was only 7 crores, the fund increased by about 5½ crores and stood at nearly 24¾ crores. But we could do nothing by way of restoration of the large sums borrowed from the fund to meet deficits in the lean years before 1936.

II.—Revised Estimates for 1939-40.

4. Passing to the current year, my predecessor budgeted for a surplus of 213 lakhs. During the earlier part of the year, it seemed unlikely that even this modest amount would be secured. Our income up to the middle of August failed to come up to expectations. The fall was particularly marked in passenger earnings, but traffic in sugar and some other foodstuffs was also disappointing. Since the advent of war, however, there has been a marked change. Goods earnings began to increase sharply as soon as war appeared to be imminent and remained at a high level for many weeks. Recently they have shown less of a rise over the preceding

year's figures, but are still well above that level. Passenger earnings did not at first show any such response, but they too turned about the end of November. They are still likely to fall short of the previous year's figures, but that is due to the losses in the earlier months, and the present rate of earning is fairly encouraging.

5. It would seem that the clouded international situation during the earlier part of the year contributed to a considerable holding up of stocks in certain commodities. The effect of the outbreak of war in stimulating industry was enhanced by a release of such stocks. But the gains then secured were not, at first, reflected in any considerable improvement in the position of the people generally, so that we got at first no increase in passenger traffic. The improvement which came later has not been substantial.

6. In consequence of these changes, and of other changes to which I shall refer later, our revised estimates for the current year differ appreciably from the original estimates. Against an original estimate of earnings from State-owned lines of 94.75 crores we now have an estimate of 97.3 crores, an improvement of 255 lakhs. The revised estimate for working expenses has been put at 65.35 crores against the original figure of 64.25 crores. This means an increase of 110 lakhs. There will also be a small decrease in interest charges. Thus, instead of the surplus of 213 lakhs on which the budget was framed, we now hope for a surplus of 361 lakhs.

7. Although this figure, if realized, will represent the highest surplus for a decade, it will not suffice even to pay the 1 per cent. contribution to general revenues, less the loss on strategic lines, and the moratorium approved by the House does not exempt us from liability to pay that sum for 1939-40. We shall therefore have to carry over a debt estimated at 90 lakhs to be met out of the surplus for 1940-41. This is apart from the accumulated unpaid contributions for previous years which now amount to nearly 35.4 crores. In addition, the unrestored borrowings from the depreciation

fund amount to over 30 crores ; and we are not in a position to do anything to reduce this figure.

8. We intend to do our best to secure better results for next year, but lest these facts should, by themselves, give any Honourable Member an unduly gloomy view of the picture, there are further considerations which should be remembered. The framers of the Convention relating to the separation of general and railway finance cannot, in my view, be accused of having treated railways ungenerously in the light of conditions then prevailing ; but factors which they could not foresee operated to render it impossible to fulfil the railways' obligations in the last decade. In the first place, the world was overtaken by an economic blizzard of unprecedented force. In the second place, road transport made quite unanticipated inroads on both passenger and goods traffic. In the third place, there has been a much greater response to the demands of labour than was anticipated in 1923. Despite these factors, the railways have, in recent years, yielded dividends which, if they are small compared with those expected by industry, compare very favourably with those earned by important railway systems in other countries. For the ten years 1930-39 the average percentage of net traffic receipts to capital at charge has been 3.6 per cent. and in the last three years it has exceeded 4 per cent. Most railway shareholders abroad would have been glad to receive dividends on that scale during these years.

III.—1940-41 : *Capital Position.*

9. Turning now to the year 1940-41, I begin with matters affecting capital expenditure. We have closed no lines during this financial year but are investigating the possibility of closing some small lines that many have ceased to be remunerative. As regards new construction, two projects, the Sind Right Bank Feeders Railway, and the Khadro Nawabshah Railway, are nearing completion ; the work remaining for next financial year should require only Rs. 7¼ lakhs. We are making no provision for a third

Sind project, the Tando Mitha Khan Railway, as we are not assured that this will prove a sound proposition, and with the concurrence of the United Provinces Government we have decided to drop for the present the idea of constructing a line between Kashipur and Kalagarh.

10. We have acquired two existing lines during the current year; both of them were being worked by Government. In June last we purchased the South Bihar Railway, 76 miles in length for a sum equivalent to about 92 lakhs, and last month the Hardwar-Dehra line became State property. The purchase price for this will have to be paid during 1940-41, and the budget includes a sum of Rs. 43¼ lakhs for the purpose. The line is 32 miles long and the return on the investment is estimated at 5⅔ per cent. A larger purchase on which we have decided is that of the Bengal-Dooars system, which extends to over 160 miles of line. The option to purchase falls on 31st December next and the Company had the right under its contract to require Government to work the lines for 40 per cent. of the gross earnings. As this would have increased both the income of the Company and the subsequent purchase price, it was an option which was likely to be exercised; and we estimated that the working of the lines by Government for the Company would have involved annual payments of Rs. 11½ lakhs a year. As the estimated purchase price is £1,284,000 or Rs. 171 lakhs, it is better to acquire the property and the Standing Finance Committee has concurred in the proposed purchase, of which notice has been given. It is not yet certain whether the price will be paid in 1940-41, and the budget contains no provision for it. In the event of funds for it being required next year, a supplementary demand will be placed before the House.

11. Our provision for open line works is on much the same scale as last year. The estimates on account of track renewals amount to roughly Rs. 5¾ crores and those for rolling stock to Rs. 5 crores. We are providing a sum of Rs. 3¼ crores for bridges and other structural works and

over ½ a crore has been provided for an increase in the stores balance. These are gross figures and we expect a credit of about 1¼ crores for old materials. The expenditure on track renewals and on rolling stock is likely to be fairly heavy for the next few years. The necessity for retrenchment during the years of depression has resulted in a curtailment of the expenditure on maintenance. The Pacific Locomotive Committee, commenting on the track renewal programmes over the last ten years, observed that there had evidently been a general falling off in the number of miles of track and of track components renewed and of betterments effected. As their report suggests, the tendency to prolong the life of material and postpone betterment until financial conditions improved has been carried quite as far as is reasonable or safe, and we must now recover the ground that has been lost. The items which I have mentioned, together with the cost of purchase of the Hardwar-Dehra line, amount to over Rs. 13½ crores. But following previous practice, we have made a reduction of about 2½ crores to allow for cases in which it may be impracticable to spend the full amount provided. The net provision for open line works is about Rs. 11¼ crores, of which we expect to meet Rs. 7 crores from the depreciation fund, the remainder being debited to capital.

12. The increase in the capital at charge is, I know, a source of concern to some sections of the House. The railways, it must be admitted, are to some extent over-capitalised and in 1936, Government, in consultation with the Public Accounts and Standing Finance Committees and the Auditor General, made a detailed examination of the measures that were desirable to check further deterioration in this regard, and generally to put railway finances on a sounder basis. Some changes were then made in the allocation of expenditure, but in view of the financial position it was considered impracticable to give effect at once to all the suggestions then approved in principle. Of these, one was that the limit of cost, viz., Rs. 2,000, up to

which new minor works are debited to revenue instead of to capital, should be raised and limits of Rs. 5,000, 10,000 and 25,000 were mentioned, the last figure being approved. We have now, with the approval of the Standing Finance Committee, decided to adopt the figure of Rs. 10,000, which is as far as we feel we can go at present, and to make the change operative from next year. For the present, this change will apply to State-managed railways only, and we estimate that this will reduce the debit to the capital account of these railways by about Rs. 30 lakhs next year : it will, of course, increase their working expenses by a corresponding amount. On company-managed railways, the allocation of expenditure as between capital and revenue is determined by the provisions of their contracts, and we cannot force them to charge more to their revenue than these contracts require. It may, however, be possible to introduce this reform in the Government accounts of these railways, and this is being examined.

13. There is one further probable development to which allusion should be made. At the instance of the Standing Finance Committee for Railways, the Railway Board recently appointed two officers to examine the possibilities of building locomotives in India. As the House is aware, metre-gauge locomotives are being built at Ajmer, but about 17 years have elapsed since any broad-gauge locomotives were manufactured in India. The report of these officers is in the hands of members of the Standing Finance Committee and will be distributed to-day to other Members of the House. It is an interesting, a lucid, and an encouraging document. Put briefly, their leading conclusions are that we can now reckon on a reasonably large and steady demand for broad-gauge locomotives, which means that the biggest obstacle which has stood in the way in recent years is disappearing, that important materials which have not hitherto been available in this country are now likely to be forthcoming, and that we can hope to construct such locomotives more cheaply than manufacturers abroad can supply

them. Their preliminary estimate of the capital cost involved in making a shop available for the manufacture of broad-gauge locomotives is 48.6 lakhs. The report will be examined expeditiously in consultation with railway administrations, and if the proposals made are approved, demands will be placed before the House as soon as detailed estimates can be made. That, I hope, will be within the coming financial year.

IV.—Revenue in 1940-41.

14. In approaching the revenue position for next year, we are confronted by serious difficulties; for our estimates of both income and expenditure must involve a larger element of speculation than has been the case in any recent year. He would be a bold man who would forecast the economic situation in the country a year hence. Our traffic figures have seen violent fluctuations during the current year and we have no guarantee that there will not be wider fluctuations next year. The possible developments arising out of the war are largely hidden from our eyes. We must, however, make some assumptions if we are to frame estimates at all and we have assumed in the first place that the war will continue throughout the year. We have assumed, perhaps with less confidence, that this will have the effect of increasing our figures of traffic. It would be rash to expect the maintenance of traffic at the height which marked the opening months of the war; indeed there are signs of a slackening already. But we have assumed that, over the whole year, our traffic would increase to an extent which at present rates would bring in an income of about 75 lakhs more than the revised estimate for the current year.

15. On the expenditure side we have to face equally big uncertainties, and here unfortunately the uncertainties are mostly in the unfavourable direction. Traffic may fall far short of our estimates and may appreciably exceed it; but with our rigid rates of wages and salaries, we can look for no large savings of expenditure and might easily have

to face large increases. If, for example, prices were to rise substantially above their present level, the possibility of giving relief to certain categories of staff would obviously have to be considered; and the effect of any changes here may be judged from the fact that our non-gazetted staff cost nearly 32 crores a year. Even a 10 per cent. allowance which was limited to those on daily rates, to inferior servants and to others getting less than Rs. 30 a month, would cost nearly 1½ crores. We can only hope that no such contingency will arise, and budget on this assumption. I shall have something to say later on this subject of prices and wages.

16. If the railway rates were to remain at their present level, we anticipate that the surplus in 1940-41 would amount to about 3 crores. This would not suffice to meet the railways' obligation to pay 1 per cent. on the capital at charge, less the loss on the strategic lines, even for 1940-41 and, as I have observed earlier, we anticipate that we shall have to carry over a liability of 90 lakhs from this year's accounts, which will be a first charge on the surplus of next year. Clearly then, we must look for the means of increasing our revenue, and the obvious remedy is an increase in rates. And this is clearly the sound course in the present situation, when the traffic can bear increased charges. The railways, like every other form of industrial enterprise, must expect marked fluctuations in their working. Periods of general prosperity are followed only too surely by periods of depression and as the financial results of railway working depend closely on the economic situation in the country, a period of depression for the community is also a period of depression for the railways. Thus, if railways fail to take advantage of times when the demand for their services is brisk, the inevitable result is that when the demand falls off, they will be unable to meet their obligations to the tax-payer. That is precisely what happened in the years following 1928, the important consequence being that in 1931-33, when the need of the tax-payer was greatest, the railways were quite

unable to fulfil their obligations to him and had indeed, at a time of depression in industry, to enhance their rates.

17. The actual increases which we propose to make are as follows. In respect of goods we are making an enhancement of 2 annas in the rupee or 12½ per cent. on most commodities with effect from 1st March next. But from this rise we propose to make complete exceptions in the case of food grains, fodder, manures and railway and military traffic and we propose to make a partial exception in the case of coal. So far as food grains are concerned, while the proportion which a similar enhancement would bear to prices would be trifling, we are anxious to afford no excuse for a raising of prices on our account. If, however, we found ourselves forced by a substantial rise in prices to give allowances to the staff, rates generally would have to be reconsidered and the exemption of food grains could hardly be maintained. Fodder traffic can hardly be regarded as a remunerative item and the traffic in this, particularly on metre-gauge lines, has recently been embarrassing, but we feel that in view of the acute needs of certain parts of the country we should not at present increase our charges on this or on manures. In the case of jute and tea, local factors make it impracticable to enhance the rates at once on the Eastern Bengal and Assam Bengal Railways, but the additions will be imposed as soon as the difficulties have been overcome and that should be in the course of a few months.

18. In respect of coal we propose to raise from 1st March the existing surcharge from 12½ per cent. to 15 per cent. and to remove the maximum at present imposed on this surcharge, and from 1st November next to raise the surcharge to 20 per cent. We estimate that this means an average increase in coal freights of less than two annas a ton until November and about 5 annas for the remaining months. The preferential treatment we are giving to coal is based partly on the fact that part of the freight is technically a surcharge, but mainly on the better ground that we are anxious to avoid imposing anything that can be regarded

as an appreciable burden on industry. And by making only a trifling increase for the next 8 months, we hope to encourage those manufacturers who can do so to follow our own example and secure coal in the season when our wagon position is normally easier, and so to reduce the difficulties in the winter months.

19. In respect of passengers we propose, for the present, a smaller enhancement. Fares will be increased by 1 anna in the rupee, and the increase will not be applicable to fares not exceeding a rupee. This means, so far as third class fares are concerned, that for distances up to about 50 miles, fares will remain as they are, so that journeys to work and most of the journeys within a district will, for the third class passenger, be no dearer than before. We estimate the average increase in fares at 4 per cent., and the average increase in third class fares will be less than this. I would observe that the average journey for a passenger is about 35 miles.

20. The effect of all these increases will be carefully watched and if it appears that any of the new rates is having adverse effects on our revenue, reductions will be made. I do not anticipate such effects, but in assessing the probable effect of these enhancements we have made a reduction of 20 per cent. from the income they should yield, to allow for small reductions in traffic and for any concessions we may have to make. In the current year we estimate that they will yield 30 lakhs and we have taken 5¼ crores as the additional earnings from this source for next year. The gross traffic receipts for next year have been put at 103 crores against the revised estimate of 97.3 crores for the current year.

V.—Expenditure from Revenue in 1940-41.

21. The estimate of ordinary working expenses has been placed at 53.98 crores; when depreciation is added, the total comes to 66.64 crores, an increase of 1.29 crores over the revised estimate for the current year. The only

item in respect of which we hope for an appreciable reduction is interest charges, where owing to a fall in the rates, we expect to save 10 lakhs. The increase in the total figure is mainly due to the higher prices which we are likely to pay for materials, but the increased traffic for which we have budgeted finds, of course, a reflection in expenditure in various directions. To take one item in which the House is generally interested, the contracts for State-managed lines placed with private colliery-owners for next year's supplies are for a sum of Rs. 104½ lakhs which is 14 lakhs more than the contracts for the current year and represent an increase in quantity of nearly 400,000 tons. The figure of 2,800,000 tons to be purchased from the market is the largest for 17 years. We contemplate raising about 1,670,000 tons from our own collieries which is practically the same as the estimated output for this year.

22. A second element in the increased costs is the provision we are making for labour, and I need offer no apology for dealing with this subject at some length. It is, even in times when conditions are stable, one of vital importance and one which is constantly under consideration, in one aspect or another, by the Railway Board; and the recent rise in prices has given it special prominence.

23. Any general rise in prices involves a diminution in the real income of those who depend on fixed salaries and wages, and as the bulk of railway servants fall in this category, they have naturally not welcomed the change. The lowering, even in a small degree, of one's standard of living is always felt to be a hardship and this is particularly true of those on the lower scales of pay. I think it can be claimed that the great majority of those affected met the situation with fortitude, but there have naturally been complaints from a number of quarters and there are probably few railway workers who did not feel apprehension regarding the effect on themselves and their families of the more substantial rise which at one time seemed probable. That rise has not materialized ; and in fact 1940 has brought

a distinct fall in prices of important commodities. But at a time like this, when prices are less stable than in normal times, the question of possible alterations in remuneration is bound to occupy the thoughts both of employees and of the administration. We have, in fact, been examining the position closely in the past two months, and it would perhaps be useful if I were to set out some of the main considerations which must underlie any conclusions that may be formed on the subject.

24. One preliminary point is that the question is not one of generosity or parsimony on the part of Government, but of an equitable arrangement between railway servants on one side and other sections of the community on the other. I need hardly enlarge on this point, for it is obvious to all thinking men ; but there still survives in less informed quarters the conception of Government as a primary source of wealth which can give what it chooses without inflicting loss elsewhere. What we give to our staffs comes out of the pockets of the community and much of it must fall ultimately in one form or another upon the masses. The question therefore is largely one of how much they should be called upon to pay for the services given by railway employees. Now it can hardly be denied that in the last few years, following the great fall in prices of 1929-31, the primary producers have been getting less than formerly and those whose remuneration was not reduced, i.e., practically all railway servants, have been gainers at their expense. It is not, therefore, reasonable to assert that when any movement occurs in the reverse direction, railway servants have the right to have it " neutralized " by additions to their pay.

25. Any such doctrine would carry with it the corollary that whenever prices fell, pay should be correspondingly reduced. The rise of prices in December brought telegrams from some railway servants asking for allowances. I sympathise with the difficulties that beset any one who finds his purchasing power cut down, especially at a time when some of those more fortunately placed are actually gaining

from the present situation ; and the position was not rendered easier by the fact that a number of private employers, who had in many cases secured substantial reductions in their wages bills a few years ago, rightly gave some enhancement. At the same time, I could not help wondering what the reaction of those who sent telegrams would have been if when prices fell, Government sent them telegrams proposing a cut in their pay. It is arguable that pay rates are too rigid and that a few years ago we should have followed the example of many big employers and cut rates all round. All that we did do, and that under the pressure of grave financial stringency, was to impose a small cut which has been fully restored and to reduce to some extent the rates offered to new entrants. But those already in service were given the old rates, which were in many cases privileged rates, which did not correspond with the economic levels then prevailing. Whatever view be taken of the policy then adopted, the fact remains that in railway service the tendency has been to keep rates comparatively rigid ; and those whose pay is not adjusted to a fall in prices can hardly expect to be compensated for every rise which occurs.

26. I have alluded to our rates as rigid, but in actual fact, the rates of remuneration can only be described as rigid in the sense that the employees have, except for the temporary cut in pay, been secured against a reduction in their emoluments ; they have not been rigidly held down, for the charges in respect of labour have risen fairly steadily. So far as pay is concerned and in spite of the revision of the scales for new entrants, the average remuneration for railway staff as a whole rose by about 10 per cent. between 1929 and 1939, whereas prices were substantially lower in 1939 than in 1929. This brought, of course, higher payment in various indirect ways, such as provident fund bonuses, gratuities and leave allowances. Part of the increase is traceable to the effect of incremental scales, but not all of it ; and it may be observed that incremental scales which are common in the railways but very rare in other forms of

industry, tend to alleviate the effect which an upward movement in prices may produce.

27. The last decade has also been marked by important concessions in various other directions. So far as the lower paid staff is concerned, possibly the most important was the abolition of the " no extra cost " condition in respect of leave, which was granted in 1930 and was estimated to cost ultimately 20 lakhs a year. Higher recurring costs, in addition to capital expenditure, have been incurred in the enforcement on a large scale of the Washington and Geneva Conventions relating to Hours of Employment and Weekly Rest. For this I shall give figures shortly. The expenditure here does not, of course, go in increasing the emoluments of individuals : it goes in reducing the work they do while their pay is kept at the previous level.

28. It may seem to some who compare the conditions of service with those in private employment and bear in mind the provision for housing, medical relief, passes and other matters, that any further increase in charges in the present situation would be unjustified. That is not our own view, for there are improvements which financial difficulties have hitherto prevented us from making, but which are recognized as desirable. Accordingly the budget now being placed before you contains substantial extra provision. This is intended, in the first place, to complete the extension of the Hours of Employment Regulations to all State-owned Class I Railways. At the beginning of last year we had four such railways still to cover—the South Indian, the Rohilkund and Kumaon, the Bengal Nagpur and the Assam Bengal Railways. During the year we approved the inclusion of the South Indian and Rohilkund and Kumaon Railways and we feel that, in the present position, we can hardly postpone for another year an extension to the other two. The cost for the first two is 6.5 lakhs capital and 3.6 lakhs recurring, and for the second two is 15.4 lakhs capital and 6.3 lakhs recurring ; but in this case, we are making provision for only part of the year. We estimate the total

cost of applying these Conventions on the railways at 59 lakhs capital and over 32 lakhs recurring. The new expenditure included in the budget for this purpose amounts in all to about 6 lakhs. India can perhaps claim a little credit for making sacrifices to fulfil international obligations at a time when respect for these is so notoriously lacking in some countries; but I would not be disposed to press this point far, for the benefit goes to staff who, for the most part, stood in real need of it.

29. A second direction in which we would like to make an advance is the further extension of the Provident Fund privileges to employees. This does not stand on the same footing as the previous concession for there is no legal obligation and it cannot be regarded as a right of employment; none of those seeking to secure it entered the service on the understanding that they would get it. But the All-India Railwaymen's Federation lays stress on the need of the lower paid employees for some provision in addition to the gratuities already provided and we feel that, as circumstances permit, this is a direction in which we ought to advance. It could be a very costly business, for the numbers not now included are large and the bonus given by the railways is one-third higher than that given in most Government provident funds. Our estimate of the additional sum involved if every one were included on the present terms is 72 lakhs a year. Clearly any steps we take must be gradual, and our power to take steps at all must depend on claims made in other directions. What we have done is to include, in addition to the provision made for the extension of the Hours of Employment Regulations, a sum of 12 lakhs which we can apply to those staff benefits which appear to be most urgent, and the Railway Board hope to discuss later with the Federation the best allocation of this sum.

30. It will be clear, from the figures I have quoted earlier, that the provision we have made will not suffice to provide for war allowance on any general scale, though it might meet some cases of special hardship. Our own exami-

nation of the situation at the present moment suggests that in no area have prices risen to the levels prevailing when the bulk of the present rates were fixed, but we are at all times ready to consider any reasoned statement of the position which takes into account the considerations I have mentioned.

VI.—Conclusion.

31. I have referred to the gradual improvement of the conditions of our staff. Let me add that the benefits have not been one-sided and that the railways have been given not merely steady service but increased efficiency from the staff. Over the last decade, the public have demanded and secured constant improvement in the service, and despite all the adverse circumstances the railways have had to face, the cost of staff per train-mile has been falling for some years and is now no higher than it was in 1922. I have no doubt that in all branches of railway work there has been increased keenness and increased skill ; and to this the officers in all grades from the highest to the lowest have made a very valuable contribution.

32. Finally, I deal with the estimated surplus and its allocation. We have estimated our gross traffic receipts at 103 crores, and expect net miscellaneous receipts of ¾ of a crore. Our expenses, including interest charges, are estimated at 95.46 crores. This excludes a sum of 5.19 crores on the receipt side in respect of worked lines and a corresponding amount on the expenditure side. The estimated gross surplus before payments to general revenues is thus 8.29 crores. Of this we estimate that 90 lakhs have to go to meet the undischarged liability to general revenues in the current year. The payment next year of the 1 per cent. charge on capital at charge less the loss on strategic lines will account for 4.41 crores. Thus if our present forecast proved accurate, there would be a balance of 2.98 crores, which under the Convention of 1924 goes into the railway reserve fund.

33. It is a melancholy fact that the reserve fund of this, the largest railway system under one ownership in the world, stands at 48 lakhs. This is less than a fifteen hundredth part of its capital at charge, and much less than 1 per cent. of its revenue. The effect of our being virtually denuded of any reserves is that when times of depression come, we are at once in difficulties. We are earning at the moment profits which depend to a large extent on factors of a temporary character, and if reserves cannot be built up in such a situation, we may be confronted, when the inevitable recession comes, with the necessity of reducing wages and increasing charges and thus enhancing the difficulties of the community at a time when its needs are acute. No great business should be obliged to live a hand-to-mouth existence and the only sound policy is to endeavour during the good years to put something aside for the bad ones. It is my hope—a hope which, with the uncertainties ahead of us, cannot be a conviction—that next year will be a better one than the railways have had for quite a long time.

Rules and Regulations for the Measurement for Tonnage of Cotton and other Goods in bales or packages under the orders of the Bombay Chamber of Commerce.

(*Adopted at a Special General Meeting of the Chamber, held on the 24th September* 1924.)

I. Whereas it is expedient to collate and amend the Rules and Regulations for the measurement of goods.

II. All such Rules and Regulations hitherto in force are hereby rescinded and the following are substituted therefor.

III. In the following Rules and Regulations and in any Orders that may from time to time be issued by the General Committee of the Chamber of Commerce under Rule XVII—

(*a*) Measurer shall mean a measurer appointed by the Committee of the Chamber of Commerce for the purposes of these rules.

(*b*) Measurement shall mean measurement by such measurer.

(*c*) Shipper shall mean the person shipping the goods or his representative.

(*d*) Quay shall mean a place in the Docks or at one of the Bunders recognized for the regular shipment of goods.

(*e*) Vessel shall mean a vessel propelled by sail or steam and not being used for the conveyance of goods from the Quay to another vessel in the Port of Bombay.

(*f*) Boat shall mean a vessel, lighter or craft used for the conveyance of goods from the Quay to a vessel in the Port of Bombay.

(*g*) Package shall mean a bale, case, barrel, cask, bag or other receptacle subject to measurement.

(*h*) Consignment shall mean the whole quantity of one commodity subject to measurement to be shipped by one shipper in one vessel.

(*i*) Lot shall mean a package or number of packages forming part of a consignment and presented by one shipper at one time for measurement.

IV. Public Measurers shall be appointed under the authority of the Chamber of Commerce and stationed at the different quays to measure packages.

V. Fees, the amount of which shall from time to time be fixed under the Orders of the General Committee of the Chamber of Commerce, shall be levied in accordance with such Orders on all goods presented for measurement.

VI. No measurements shall be held good except such as are taken by a Measurer and with instruments bearing the stamp of the Chamber of Commerce.

VII. Such instruments shall be supplied and issued to the Measurers by the Chamber of Commerce.

VIII. All instruments shall be submitted to the Secretary of the Chamber of Commerce at intervals to be prescribed by the Committee and a register of such inspections shall be kept.

IX. Measurers shall be responsible for the good order of their instruments and for the prompt return to the Secretary of the Chamber of such as are defective or doubtful.

X. The Chamber's stamp borne by instruments that are found by the Secretary to be defective shall be by him defaced.

XI. Instruments on which the Chamber's stamp has been defaced may be re-stamped under the directions of the Secretary when they are in good order.

XII. Certificates of measurements shall be issued to shippers and/or to Ship Agents in such form and in such manner as the Committee for the time being shall from time to time provide.

XIII. Provided always that the Measurer may withhold or recall such certificate on his having reasonable cause to believe that an irregularity in the matter of shipment has been or is being committed in respect of the goods to which such certificate relates.

XIV. The goods measured shall be alongside the vessel within thirty-six hours after measurement, weather permitting, or the certificate shall be void and the packages shall be remeasured on board, written notice being given by the owner, agent or master of the ship to the Shipper and to the Measurer, respectively.

XV. Shippers shall as far as possible see that their goods are so arranged for measurement as not to retard the work of the Measurers.

XVI. The salaries of the Measurers and all other expense connected with this system of measurement shall be paid by the Chamber of Commerce from the Fee Fund raised under these Rules.

XVII. The Committee of the Chamber of Commerce are hereby authorized to appoint and maintain such staff of Measurers and Assistants, to fix and to pay such salaries to that staff, to fix and to collect such fees, to issue and from time to time to modify such orders, and to do all other such acts and things as may in their opinion be necessary for the proper and economical working of the system in conformity with the general principles herein laid down.

Orders for the Conduct of Measurement of Goods for Tonnage by Public Measurers in the Port of Bombay.

(Issued by the Committee of the Bombay Chamber of Commerce in pursuance of Section XVII of the Rules and Regulations adopted at a Special General Meeting of the Chamber held on the 24th September 1924.)

(1) All Orders hitherto in force for the governance of Measurers are hereby rescinded and the following are substituted.

(2) The Measurers shall be in attendance on the Quays to which they are appointed whenever there are goods to be measured. During the busy season Measurers are expected to be on duty early and late.

(3) All Measurement Fees shall be paid to the Measurement Fee Clerk, and no goods shall be measured without the production of the Customs House Pass bearing the endorsement of the said clerk to the effect that the fees have been paid.

(4) The certificates of measurement issued in conformity with Rule XII shall show—

(*a*) the date, hour and place of measurement ;

(*b*) the name of the shipper ;

(*c*) the name of the vessel ;
(*d*) the port of destination ;
(*e*) the number and description of packages ;
(*f*) the marks ;
(*g*) the measurement ;

and in the case of goods shipped by boats—

(*h*) the registered number of the boat ;
(*i*) the name of the tindal.

The certificates of measurement shall be issued by the Measurers and shall in every case be signed by the Measurer who measured the goods.

(5) The whole of the packages forming a consignment of not more than thirty-two packages must be deposited on the Quay before measurement is taken.

(6) Consignments of more than thirty-two packages may be presented for measurement in lots of not less than thirty-two packages provided always that each lot, as soon as it is measured, is loaded into boats or shipped and that no unmeasured lot is mixed with a measured lot. Provided also that a final lot of less than thirty-two packages, being the complement of a consignment of more than thirty-two packages, may be measured separately.

(7) Shippers failing to have each lot as soon as measured loaded into boats or shipped ; or shippers mixing unmeasured goods with measured goods or permitting them to be mixed ; or shippers retarding the work of the Department by failing to move with reasonable promptitude the bales required by the Measurer to be moved for the proper performance of his duties ; or shippers attempting to elude these regulations, any such persons or their representatives may be required by the Measurer to deposit on the Quay the whole complement of their consignment before measurement is taken. In all cases when such requisition is made, the Measurer making it shall briefly report in writing to the Secretary the name of the shipper against whom, the goods in respect of which and the reason for which, it has been made.

(8) A Measurer withholding or recalling a certificate under Section XIII of the Rules and Regulations adopted on the 24th September 1924 shall likewise briefly report to the Secretary in writing.

(9) No goods shall be measured otherwise than on a Quay excepting under the special conditions contemplated under Rule XIV and Order 22.

(10) Each and every package in a lot of packages not of uniform dimensions shall be measured individually. This Rule shall not apply to lots of pressed bales from various presses if the shipper arrange such diverse bales according to their respective dimensions separately on the Quay.

(11) In regard to packages of uniform dimensions the Measurer shall use his judgment as to the proportion of such goods he should measure; but such proportion shall in no case be less than five per centum of each lot. Care must be taken by the Measurers that they are not induced to measure packages that do not fairly represent the average.

(12) In no case shall a shipper's man or men be allowed to put the callipers on a package. A peon of the Chamber holding the callipers may, when standing exactly in front, pull them tight with his hands but not when standing on one side, nor shall he ever be allowed to pull the callipers towards his chest or side or to put his shoulder to them.

(13) In measurement for length, care must be taken that the legs of the callipers touch the ground and that bales when being measured lie in the same position as when in the press. Measurement of bales for depth and breadth shall be taken on the ends, half the number of bales being measured on the marked end and half on the other end.

(14) Measurers when measuring pressed bales shall ascertain whether all are from one press or not, and under orders (10) and (11) of these orders shall further ascertain

how many bales there are from each press and shall give measurement accordingly and show on the certificate the number of bales to which each measurement relates.

(15) In cases where the shipper shall hand to the Measurer a letter from the owner, agent or master of the vessel authorizing the Measurer to accept for measurement and calculation of average such packages as the said shipper may reserve for such measurement, the Measurer shall measure the packages so reserved and give a certificate on the basis of their measurement, provided that such packages represent not less than five per centum of the entire consignment.

(16) The scale of measurement fees leviable under Rules V and XVII shall be as follows :—

(*a*) On Cotton, Wool, Hemp, Aloe Fibre, Twist (white and coloured), Rags, and waste in pressed bales—pies 6 per bale.

(*b*) On Round Timber or Logs—each annas 8.

(*c*) On Gunny bales from Calcutta, Hide and Skins, Piecegoods, and all goods not included under (*a*) and (*b*), packages of divers dimensions—annas 2 per package.

Subject to a rebate of anna one per package on the Measurers certifying that the lot measured consisted of not less than 50 packages all of uniform dimensions.

(*d*) On goods of any description measured on board a vessel—annas 2 per package.

(*e*) When the work of the Department admits of such an arrangement, the exclusive services of a Measurer for a day may be secured on payment to the Secretary of a fee of Rs. 10.

(*f*) The attendance of a Measurer on a Sunday or one of the Charter-Party Holidays when the Docks are closed may be secured on application to the Secretary, accompanied by the sum of Rs. 15 which shall be paid by him to the Measurer appointed by him to attend. The fee of Rs. 15 shall cover the services of one Measurer for one ship. If two Measurers are applied for two fees of Rs. 15 must be paid at the time of application. If a Measurer is required to work on more than one steamer a separate fee of Rs. 15 must be paid in respect of each steamer.

(*g*) The attendance of a Measurer for night duty may be secured in the same manner as above.

(17) All disputes as to the applicability of Order 16 (*d*) under Rule XIV shall be referred to the Weather Working Days Committee of the Chamber and the decision of that Committee shall be final. With respect to Order 16 (*d*) a refund of pies 6 per package will be made on declaration of the said Committee, remitted on the invitation of the claimant that the state of the weather during the thirty-six hours of grace allowed had been such as to justify the shipper's delay in bringing the goods alongside.

(18) Refund of measurement fees in full shall be made in respect of a consignment or portion of a consignment shut out after measurement.

(19) In respect of Round Timber and Logs, the measurement to be certified, in accordance with Order 4 (*g*), shall be as follows :—

Length in feet and inches : As found with tape.

Breadth : The mean of two measurements taken with callipers at thickest and thinnest portions.

Depth : The mean of two measurements taken with callipers at thickest and thinnest portions.

The certificate shall also show under Order 4 (*a*) not only the time at which the work of measurement was commenced, but the time at which it was completed. On application to the Secretary supported by evidence of time as here provided refund will be made of the difference between the fee as prescribed under Order (16) (*b*), and a charge of Rupees Two for every hour or part of an hour actually occupied in measurement.

(20) Refund of Measurement Fees shall not be made for any sum less than three Rupees.

(21) All claims for Refund of Measurement Fees shall be made to the Secretary of the Chamber of Commerce who shall allow or disallow such claims in conformity with these Orders, but no claim for Refund of Measurement Fees shall be allowed unless presented within one month from the date of the sailing of the vessel concerned.

(22) Each Measurer shall keep a Dispute Book and it shall be competent for any shipper or the owner, agent or master of a vessel who disputes the correctness of a measurement given in respect of goods being shipped by him to call for the said Dispute Book, which the Measurer shall produce at once, and to enter therein a claim to have the goods in question or any portion of them remeasured. And on the said shipper or the owner, agent or master of a vessel depositing with the Measurer the sum of annas 2 for each package to be measured, the Measurer shall at once remeasure such package or packages in such a manner that the shipper or the owner, agent or master of a vessel can see whether the measurement is correctly taken and shall give to the shipper or the owner, agent or master of a vessel a certificate of the measurement so found and write thereon the words " Protested Certificate. Fee paid Rs. . . . . " and the sum so paid. The Measurer shall immediately thereafter forward to the Secretary a statement of the case together with the amount of the Fee received.

Provided that on any of the stations where more than one measurer is employed, the Measurer whose measurements are disputed shall, immediately after receiving the protest and fee, call another Measurer who shall make the remeasurement in the manner above laid down, shall issue the " Protested Certificate " and forward the necessary statement to the Secretary.

(23) Should a shipper demand remeasurement under Order 22 and should such remeasurement, in the opinion of the Secretary, show the original measurement not to have been substantially correct, the extra fee of annas 2 per package shall be refunded to the shipper on demand and the case reported to the Committee.

(24) Every Measurer shall receive a book of Measurement Slips together with indelible pencil and carbon paper for making such slip in quadruplicate. The Measurer will

hand to the shippers at the time of measurement the original and the third carbon copy; the first carbon copy will be handed to the ship agent's representative on demand and the second carbon copy will be retained for the Chamber's records.

Provided that when goods are shipped in boats for delivery alongside, the said first carbon copy, belonging to the ship's agent, shall be handed to the boatman from whom it should be obtained by the ship's officers.

COAL.

Imports of Coal into Bombay by Sea and Rail.

The following return of the Imports of Coal into Bombay by Sea and Rail in the years 1933 to 1939 is printed for the information of members :—

From	1933.	1934.	1935.	1936.	1937.	1938.	1939.
By Sea.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Europe	2,945	6,145	6,190	5,875	14,240	9,611	200
Australia..	2,130	6,852	1,800	4,584	2,751	..	..
Japan	335	..	..	1,325	469	98	..
Africa	3,920	..	7,143	15,805	8,643	14,552	17,006
Other Foreign Countries.	..	..	..	..	..	..	285
Calcutta	419,238	411,572	466.790	447,377	215,058	341,951	412,053
Total—By Sea ..	428,568	424,569	481,923	474,966	241,161	366,212	429,544
Total—By Rail ..	19,526	19,234	19.875	22,022	130,113	167,845	232,294
Grand Total ..	448,094	443,803	501,798	496.988	371,274	534,057	661,838

WHEAT.

The total area reported for the season 1938-39 was 35,289,000 acres as against 35,640,000 acres the previous year, or a decrease of 351,000 acres or 1.0 per cent. The total yield of the crop was estimated at 9,927,000 tons as compared with 10,764,000 tons the previous year or a decrease of 837,000 tons or 8.0 per cent.

The following figures show the total Acreage and Outturn of Wheat in each official year from 1892-93 to 1938-39 :—

Years	Area (in thousand Acres).	Outturn (in thousand Tons).
1892-93	27,759	7,649
1893-94	28,717	7,269
1894-95	28,422	6,999
1895-96	24,071	5,380
1896-97	20,580	5,363
1897-98	24,538	7,208

WHEAT STATISTICS—*contd.*

Years	Area (in thousand Acres).	Outturn (in thousand Tons).
1898-99	25,370	6,838
1899-1900	18,688	5,357
1900-01	23,868	7,094
1901-02	23,446	6,091
1902-03	23,433	7,971
1903-04	28,413	9,641
1904-05	28,470	7,582
1905-06	26,296	8,579
1906-07	28,536	8,159
1907-08	22,806	6,104
1908-09	26,068	7,598
1909-10	28,018	9,591
1910-11	30,490	10,041
1911-12	31,141	9,925
1912-13	29,524	9,715
1913-14	28,475	8,358
1914-15	32,475	10,091
1915-16	30,320	8,652
1916-17	32,940	10,234
1917-18	35,487	9,922
1918-19	23,798	7,508
1919-20	29,949	10,122
1920-21	25,783	6,706
1921-22	28,207	9,830
1922-23	30,844	9,982
1923-24	31,181	9,660
1924-25	31,774	8,866
1925-26	30,471	8,696
1926-27	31,303	8,973
1927-28	32,193	7,791
1928-29	31,973	8,591
1929-30	31,654	10,469
1930-31	32,189	9,305
1931-32	33,803	9,024
1932-33	32,970	9,449
1933-34	35,992	9,414
1934-35	34,490	9,728
1935-36	33,639	9,420
1936-37	33,215	9,752
1937-38	35,640	10,764
1938-39*	35,289	9,927

* Subject to revision.

Estimate of the Wheat Crop of the Season 1938-39. Share of each Province and State of Area and Yield for 1937-38 and 1938-39. (000's omitted).

Provinces and States.	Area.			Yield.			Increase or Decrease in the Current Year over				Yield per Acre.	
							Area.		Yield.			
	Current Year 1938-39. Acres.	Previous Year 1937-38. Acres.	Average of preceding 5 Years. Acres.	Current Year 1938-39. Tons.	Previous Year 1937-38. Tons.	Average of preceding 5 Years. Tons.	Previous Year 1937-38.	Average of preceding 5 Years.	Previous Year 1937-38.	Average of preceding 5 Years.	1938-39. Lbs.	1937-38. Lbs.
British Provinces.							Per cent.	Per cent.	Per cent.	Per cent.		
Punjab	9,526	9,945	9,220	3,235	3,724	3,019	— 4.2	+ 3.3	—13.1	+ 7.2	761	838
United Provinces	8,372	7,810	7,641	2,642	2,780	2,560	+ 7.2	+ 9.6	— 5.0	+ 3.2	707	802
Central Provinces and Berar	3,385	3,358	3,408	673	673	673	+ 0.8	— 0.7	..	..	445	448
Bombay	1,860	1,831	1,732	337	306	313	+ 1.6	+ 7.4	+10.1	+ 7.7	406	374
Bihar	1,093	1,098	1,202	385	433	471	— 0.5	— 9.1	—11.1	—18.3	789	883
North-West Frontier Province	982	1,028	1,029	252	250	255	— 4.5	— 4.6	+ 0.8	— 1.2	575	545
Sind	1,176	1,156	955	357	368	258	+ 1.7	+23.1	— 3.0	+38.4	680	713
Bengal	174	161	144	44	45	42	+ 8.1	+20.8	— 2.2	+ 4.8	566	626
Delhi	36	56	49	14	20	18	—35.7	—26.5	—30.0	—22.2	871	800
Ajmer-Merwara	10	21	26	3	7	7	—52.4	—61.5	—57.1	—57.1	672	747
Orissa	4	4	(c) 3	1	1	(c) 1	..	+33.3	..	..	560	560
Total British Provinces	26,618	26,468	25,409	7,943	8,607	7,617	+ 0.6	+ 4.8	— 7.7	+ 4.3	668	728
Indian States												
Punjab States	1,494	1,526	1,436	442	496	454	— 2.1	+ 4.0	—10.9	— 2.6	663	728
United Province State (Rampur)	105	108	124	21	30	33	— 2.8	—15.3	—30.0	—36.4	448	622
*Eastern Agency States	77	76	89	13	13	15	+ 1.3	—13.5	..	—13.3	378	383
Bombay States	427	467	438	117	147	122	— 8.6	— 2.5	—20.4	— 4.1	614	705
Sind State (Khairpur)	102	96	87	33	38	27	+ 6.2	+17.2	—13.2	+22.2	724	887
Central India States	2,244	2,276	2,092	415	386	373	— 1.4	+ 7.3	+ 7.5	+11.3	414	379
Gwalior State	1,575	1,662	1,520	392	389	339	— 5.2	+ 3.6	+ 0.8	+15.6	537	524
Rajputana States	1,319	1,525	1,449	356	432	376	—13.5	— 9.0	—17.6	— 5.3	605	634
Hyderabad State	1,250	1,355	1,263	172	200	163	— 7.7	— 1.0	—14.0	+ 5.5	308	331
Baroda State	76	79	73	22	26	22	— 3.8	+ 4.1	—15.4	..	648	737
Mysore State	2	2	2	1	(a)	(b)	..	..	..	..	..	..
Total Indian States	8,671	9,172	8,573	1,984	2,157	1,924	— 5.5	+ 1.1	— 8.0	+ 3.1	512	527
Grand Total	35,289	35,640	33,982	9,927	10,764	9,541	— 1.0	+ 3.8	— 7.8	+ 4.0	628	677

(a) 400 tons. (b) 500 tons. * Formerly Central Provinces States. (c) Average for two Years.

The fluctuations in the total Exports of Wheat from British India to Foreign Countries during the last 58 years are as shown below :—

(1881-82 to 1938-39)

Years.	Tons.	Rs.	Years.	Tons.	Rs.
1881-82 ..	995,050	8,62,00,618	1910-11 ..	1,266,150	12,95,82,291
1882-83 ..	709,688	6,08,88,136	1911-12 ..	1,361,166	13,34,84,580
1883-84 ..	1,050,070	8,89,58,112	1912-13 ..	1,660,163	17,69,37,226
1884-85 ..	792,494	6,31,60,182	1913-14 ..	1,202,205	13,13,33,561
1885-86 ..	1,053,446	8,00,53,311	1914-15 ..	706,383	8,32,04,161
1886-87 ..	1,113,181	8,62,59,856	1915-16 ..	652,879	8,44,06,594
1887-88 ..	676,908	5,56,23,733	1916-17 ..	748,913	9,15,34,812
1888-89 ..	880,570	7,52,32,794	1917-18 ..	1,454,374	19,00,27,665
1889-90 ..	690,110	5,79,26,147	1918-19 ..	476,103	6,75,30,929
1890-91 ..	716,024	6,04,24,260	1919-20 ..	8,642	20,36,604
1891-92 ..	1,515,335	14,38,20,022	1920-21 ..	237,665	4,10,03,185
1892-93 ..	748,672	7,44,03,835	1921-22 ..	80,809	1,46,82,887
1893-94 ..	607,842	5,19,39,850	1922-23 ..	220,194	3,44,02,127
1894-95 ..	344,506	2,56,62,468	1923-24 ..	638,252	9,11,80,928
1895-96 ..	500,208	3,91,43,765	1924-25 ..	1,111,691	17,19,49,952
1896-97 ..	95,531	83,64,498	1925-26 ..	211,637	3,60,24,737
1897-98 ..	119,630	1,34,11,515	1926-27 ..	175,949	2,71,07,422
1898-99 ..	976,024	9,71,96,877	1927-28 ..	299,733	4,40,57,408
1899-1900 .	485,204	3,90,94,963	1928-29 ..	114,707	1,69,23,702
1900-01 ..	2,501	3,00,832	1929-30 ..	12,971	21,24,473
1901-02 ..	366,090	3,25,59,204	1930-31 ..	196,505	1,94,87,643
1902-03 ..	514,607	4,51,53,570	1931-32 ..	20,215	15,12,460
1903-04 ..	1,295,565	11,08,89,546	1932-33 ..	2,194	3,82,265
1904-05 ..	2,150,025	17,90,60,692	1933-34 ..	2,060	3,26,964
1905-06 ..	939,523	8,53,43,996	1934-35 ..	10,962	10,60,578
1906-07 ..	801,445	7,25,44,650	1935-36 ..	9,590	9,48,076
1907-08 ..	880,459	8,58,50,350	1936-37 ..	231,505	2,09,59,009
1908-09 ..	109,757	1,34,00,777	1937-38 ..	459,806	4,62,39,164
1909-10 ..	1,050,574	12,70,90,884	1938-39 ..	279,181	2,48,42,339

COTTON, 1938-39.

The preliminary Government forecast issued in August 1938 and relating to about 79 per cent. of the total area indicated an acreage of 15,763,000 acres as compared with 15,242,000 acres (revised) at the corresponding period in 1937, an increase of 3 per cent.

The final estimate issued in a supplementary memorandum at the end of April 1939 for the whole of India was 23,553,000 acres as compared with 25,746,000 acres (revised) for the season 1937-38, a decrease of 9 per cent.

Government estimated the final yield at 5,120,000 bales as compared with 5,779,000 bales (revised) for the season 1937-38, a decrease of 11 per cent. Private estimates, as usual, were nearly 6 lakhs bales higher without taking into account the 450,000 bales put down for domestic consumption.

The following figures show the movement of cotton through Bombay during the season 1938-39 :

	Bales
Stocks on 1st September 1938 including mill stocks as estimated by the East India Cotton Association, Ltd.	913,542
Arrivals by rail and sea during the year ending 31st August 1939	2,354,647
Arrivals by road estimated by the East India Cotton Association, Ltd., during the year ending 31st August 1939	392,855
Total ..	3,661,044

Exports during the year ending 31st August 1939 :—

	Bales.
By Sea—	
United Kingdom	80,515
Continent	242,154
America	436
China	489,089
Japan	912,005
Other Foreign Countries and Coastal Ports	36,680
	1,760,879
By Rail to up-country	297,724
	2,058,603
Bombay mill consumption	986,542
Total ..	3,045,145
*Estimated carry-over on 31st August 1939	615,899
Total ..	3,661,044

*The East India Cotton Association Ltd. estimated the stocks on 31st August 1939 at 711,906 bales.

Exports to Foreign Countries in 1938-39 as compared with 1937-38 were as follows :—

	1938-39 Bales.	1937-38 Bales.	Difference per cent.
United Kingdom ..	80,515	68,072	+ 18.28
Continent	242,154	285,042	— 15.05
Japan	912,005	718,252	+ 26.97
China	489,089	85,014	+475.30
America	436	525	— 16.95

The most outstanding feature of the Cotton trade in India during the season 1938-39 was the large scale purchases of Indian cotton by China. Exports from Bombay to China from 1st September 1938 to 31st August 1939 of 489,089 bales constitute a record.

The season under review was dominated more by political events in Europe than by cotton factors. When trading started at the beginning of September 1938 the political tension in Europe had become very acute and the climax was reached at the end of the same month. Although the tension was greatly relieved after the rapprochement between Britain, France and Germany at Munich, the political situation remained a factor of considerable importance throughout the season. As was to be expected in such a season cotton factors were relegated to a place of secondary importance but from the cotton viewpoint the season was nevertheless remarkable by the fact that the Administration in America introduced an export subsidy programme for American cotton under which $7\frac{1}{2}$ per bale were paid out by the U. S. Government on cotton exported from America. The object of this subsidy payment was to send more American cotton into consumption with a view to reducing the enormous amount of cotton held in the loan. Although this scheme adversely affected exports of Indian cotton to some extent, India did not fare so badly on the whole as could be seen from the export figures given above.

The season opened on 1st September 1938, with Broach April/May quoted at Rs. $158\frac{3}{4}$, Omra December/January at Rs. $141\frac{1}{2}$, Bengal December/January Rs. 119. Despite the growing political tension in Europe fluctuations were small. During the crisis the lowest price touched for April/May Broach was Rs. $150\frac{1}{2}$ on 26th September. Although prices recovered thereafter to some extent fluctuations continued to be narrow, the price range remaining between Rs. 150 and Rs. 163 until about the beginning of January when Broach April/May touched Rs. $164\frac{1}{2}$. At this time the weight of the increasing crop movement began to exercise its influence over the market and caused it to develop a sagging tendency. A slow but steady decline in prices brought Broach April/May down to Rs. $147\frac{1}{2}$ which was touched on 16th February 1939. From that

point although fluctuations were irregular the main trend of the market was upward. The peak point of the season was reached on June 12th when Broach July/August was traded in at Rs. 176. Heavy purchases of Indian cotton by China was a helpful factor in improving the price of cotton. However, it soon became clear that the price rise had been somewhat overdone and on the maturity date Broach July/August was quoted at Rs. 160, a contributory factor to the easier feeling being a falling away in demand from China following the collapse of the Chinese Dollar.

The variation in parity between East Indians and Americans was only small during the season 1938-39 until towards the end of the season when a squeeze in America caused by the shortage of spot cotton led to a rise in the price level of near months which was not followed on parity by Broach in the Bombay market. On September 1st, 1938, the spread between Broach April/May and New York May was Rs. 30½. By the middle of March 1939 it had widened to Rs. 44. The widening tendency continued in Broach July/August which, compared with New York July on July 11, showed a difference of Rs. 68½. This favourable parity greatly assisted Indian exports.

The season ended on 31st August 1939 on a note excitement owing to the political situation in Europe with Broach April/May 1940 closing at Rs. 158⅛, Omra December/January 1940 at Rs. 147¼ and Bengal December/January 1940 at Rs. 122.

The following table gives details of arrivals into Bombay by Sea and Rail (arrivals by Road are not included) during the season with the total of the five previous years. (Actual weight converted into Bales of 3½ cwts. in each, after allowing 2 per cent. for tare in the case of receipts by rail.) Season ending 31st August in each case :—

Varieties.	1938-39.	1937-38.	1936-37.	1935-36.	1934-35.	1933-34.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
Khandeish	38,888	53,986	206,505	308,848	254,473	326,265
Central India	225,421	53,231	338,845	291,231	110,745	243,550
Barsi Nugger	96,307	150,436	174,497	176,300	108,816	171,299
Hyderabad Gaorani	4,474	40,380	101,682	41,660	46,802	51,146
Berar	163,102	335,987	579,602	344,040	403,738	502,736
Central Provinces	40,080	87,123	114,551	99,823	96,808	117,698
Dhollera	278,134	160,279	183,099	335,935	196,518	156,431
North-West Provinces	10,893	3,112	10,399	63,996	35,306	9,184
Rajputana	82,019	16,929	97,443	115,558	51,925	61,623
Sind Punjab	340,866	528,924	354,809	473,626	335,372	190,913
Broach	415,085	267,780	343,200	413,597	133,579	252,100
Compta/Dharwars	155,706	86,276	74,887	112,062	94,076	92,421
Westerns/Northerns	99,914	30,522	40,743	78,565	74,629	65,472
Cocanada	98	23	155	201	435	475
Tinnevelly and Cambodia	2,677	9,639	22,333	20,629	86,593	52,368
Persians	..	12	14	9	2,686	2,829
Americans	3,487	178,188	20,546	27,023	75,235	26,622
Egyptians	(e) 158,340	(d) 207,314	(c) 181,525	(b) 81,236	(a) 134,623	49,971
Africans, East	238,889	341,809	284,248	185,218	258,070	143,304
Comilla, Burmah and other Sorts ..	‡ 267	* 1228	† 246	482	1,155	28
Total ..	2,354,647	2,553,178	3,129,329	3,170,039	2,501,584	2,516,435

(a) Including 23,089 bales from Port Soudan.
(b) „ 18,883 „ „ „ „
(c) „ 79,824 „ „ „ „
(d) Including 68,000 bales from Port Soudan.
(e) „ 66,471 „ „ „ „

* Consisting 1,107 bales of Burmah, 69 bales of Calcutta and 52 bales of Turkistan Cotton.
† Including 106 bales of Russian Cotton.
‡ Consisting of 3 bales of Burmah, 4 bales of China and 260 bales of Calcutta Cotton.

The following table gives the Actual Clearances of Cotton by Sea from Bombay to different Countries during the years ending 31st August from 1932-33 to 1938-39 :—

To	1938-39.	1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
United Kingdom	80,515	68,072	82,124	121,770	66,261	66,598	66,812
France	78,053	64,768	51,374	75,686	51,864	64,600	101,935
Belgium	72,791	92,987	139,178	120,656	68,611	73,430	91,075
Holland	5,269	11,717	18,504	11,918	8,781	13,318	10,200
Sweden	..	42	150	62	84	61	140
Denmark	660	330	505	330	220	110	..
Germany	44,083	42,351	74,634	93,136	47,727	35,117	37,280
Hungary	660	230	..	..	..	..	..
Austria	55	..	..	..	..	..	..
Poland	3,264	6,976	8,795	8,021	5,107	7,237	1,925
Portugal	422	690	3,871	1,375	165	110	..
Spain	4,800	1,500	..	36,944	33,848	29,665	23,207
Italy	23,545	48,676	94,344	37,089	111,228	89,258	87,019
Switzerland	..	815	..	110	..	..	..
Roumania	..	..	385	..	..	..	..
Lithuania	121	363	1,687	20	..	..	..
Finland	..	..	15	..	..	..	..
Czechoslovakia	5,732	8,125	1,413	..	..	..	..
Yugoslavia	68	50	55	330	..	..	..
Bulgaria	520	1,272	3,375	3,193	..	..	..
Latvia	5	269	470	20	..	..	..
United Kingdom, Belgium, Holland or Germany (for orders)	..	..	330	550	4,915	1,581	2,180
Greece	2,106	3,871	5,250	4,855	13,793	14,936	4,707
United States of America	436	525	8,910	3,517	626	..	..
China (Including Indo-China) ..	489,089	85,014	46,200	94,937	86,178	157,595	135,415
Japan	912,005	718,252	1,544,541	1,369,308	1,085,376	978,368	1,064,636
Other Foreign Countries	4,329	5,024	5,654	3,703	4,686	844	2,448
Indian Ports—Calcutta and Coast Ports.	32,351	58,597	38,755	26,680	28,514	22,448	27,357
Total ..	1,760,879	1,220,516	2,130,519	2,014,210	1,617,984	1,555,276	1,656,336

Comparative Statement showing the Actual Clearances of Cotton from Bombay by Sea to different Countries during the Calendar Years 1939 *and* 1938.

To	1939			1938			Increase or Decrease.	Per-centage.
	Six months ending 30th June.	Six months ending 31st Dec.	Total for 12 months.	Six months ending 30th June.	Six months ending 31st Dec.	Total for 12 months.		
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	
United Kingdom	A 56,965	34,404	91,369	47,421	26,620	74,041	+ 17,328	23.40
France	55,852	23,399	79,251	45,754	27,440	73,194	+ 6,057	8.27
Belgium	45,233	14,120	59,353	59,045	28,241	87,286	— 27,933	32.00
Germany	16,276	10,725	27,001	19,566	B 31,330	50,896	— 23,895	46.94
Holland	2,306	3,192	5,498	6,063	4,040	10,103	— 4,605	45.58
Denmark	550	110	660	330	..	330	+ 330	100.00
Sweden	..	..	..	39	3	42	— 42	..
Austria	55	..	55	..	..	..	+ 55	..
Lithuania	76	..	76	107	131	238	— 162	68.06
Poland	2,070	285	2,355	3,074	1,927	5,001	— 2,646	52.90
Latvia	5	..	5	195	74	269	— 264	98.14
Spain	4,800	..	4,800	700	800	1,500	+ 3,300	220.00
Portugal	137	944	1,081	220	230	450	+ 631	140.22
Italy	13,994	7,271	21,265	26,798	11,744	38,542	— 17,277	44.82
Hungary	275	330	605	230	385	615	— 10	1.63
Czechoslovakia	4,400	..	4,400	5,790	1,958	7,748	— 3,348	43.21
Yugoslavia	68	165	233	33	17	50	+ 183	366.00
Bulgaria	..	330	330	638	245	883	— 553	62.63
Switzerland	..	1,100	1,100	760	..	760	+ 340	44.74

A—Includes 10,138 bales for Port Said for orders. B—Includes 2,979 bales for Port Said for orders.

Comparative Statement showing the Actual Clearances of Cotton from Bombay by Sea to different Countries—contd.

To	1939			1938			Increase or Decrease.	Per-centage.
	Six months ending 30th June.	Six months ending 31st Dec.	Total for 12 months.	Six months ending 30th June.	Six months ending 31st Dec.	Total for 12 months.		
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	
Greece	828	150	978	2,457	1,853	4,310	— 3,332	77.31
U.S.A.	376	60	436	200	325	525	— 89	16.95
Australia	260	1,575	1,835	449	532	981	+ 854	87.05
Japan	355,998	416,419	772,417	506,687	532,742	1,039,429	—267,012	25.68
China	303,772	152,078	455,850	24,116	25,000	49,116	+406,734	828.11
Korea	16,880	22,256	39,136	29,416	5,223	34,639	+ 4,497	12.98
Indo-China	13,075	6,700	19,775	3,000	1,700	4,700	+ 15,075	320.75
Thailand	..	..	..	..	500	500	— 500	..
Ceylon	1,865	1,944	3,809	1,724	1,098	2,822	+ 987	34.97
Iraq	26	10	36	53	115	168	— 132	78.57
Arabia	10	..	10	44	10	54	— 44	81.48
Palestine	15	..	15	6	..	6	+ 9	150.00
Africa	68	4	72	46	8	54	+ 18	33.33
India (Calcutta and Coast Ports)	14,954	11,099	26,053	28,055	18,531	46,586	— 20,533	44.11
Total ..	911,189	708,670	1,619,859	813,016	722,822	1,535,838	Net 84,021 increase	or 5.47%

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864

In thousands of Bales (000's omitted).

Year ending 30th June.	Receipts.	Exports to			Mill Consumption.	Total.
		Europe.	Elsewhere.	Total.		
1864 ..	..	867	3	870	American War. In 1863 and 1864 Bombay imported Cotton from China.	
1865 ..	..	1,065	1	1,066	42	1,243
1866 ..	..	1,187	14	1,201	46	1,328
1867 ..	..	1,277	5	1,282	47	1,125
1868 ..	..	1,030	48	1,078	48	1,329
1869 ..	..	1,225	56	1,281	49	1,214
1870 ..	..	1,115	50	1,165	50	1,056
1871 ..	..	967	39	1,006	52	1,102
1872 ..	1,085	1,002	48	1,050	53	1,166
1873 ..	1,151	1,079	34	1,113	67	1,018
1874 ..	978	917	34	951	83	1,300
1875 ..	1,311	1,192	25	1,217	135	1,440
1876 ..	1,345	1,285	20	1,305	147	1,162
1877 ..	1,073	980	35	1,015	161	1,119
1878 ..	1,141	920	38	958	204	1,050
1879 ..	961	800	46	846	181	897
1880 ..	832	652	64	716	220	1,128
1881 ..	1,171	874	34	908	277	1,885
1882 ..	1,832	1,521	87	1,608	313	1,743
1883 ..	1,770	1,335	95	1,430	348	1,743
1884 ..	1,759	1,295	100	1,395	392	1,253
1885 ..	1,139	791	70	861	391	1,461
1886 ..	1,480	1,009	61	1,070	454	1,641
1887 ..	1,703	1,147	40	1,187		

Year ending 30th June.	Receipts.	Exports to			Mill Consumption.	Total.
		Europe.	Elsewhere.	Total.		
1888 ..	1,472	893	58	951	500	1,451
1889 ..	1,851	1,286	46	1,332	565	1,897
1890 ..	2,235	1,488	71	1,559	636	2,195
1891 ..	2,020	1,070	107	1,177	762	1,939
1892 ..	1,770	905	202	1,107	728	1,835
1893 ..	1,738	816	169	985	724	1,709
1894 ..	1,769	908	159	1,067	731	1,798
1895 ..	1,540	525	143	668	815	1,483
1896 ..	2,151	800	346	1,146	849	1,995
1897 ..	1,612	603	405	1,008	703	1,711
1898 ..	1,730	424	409	833	817	1,650
1899 ..	2,033	578	520	1,098	951	2,049
1900 ..	988	117	444	561	745	1,306
1901 ..	1,896	620	340	960	696	1,656
1902 ..	2,142	525	732	1,257	987	2,244
1903 ..	2,454	921	349	1,270	986	2,256
1904 ..	2,151	1,036	423	1,459	973	2,432
1905 ..	2,609	384	664	1,048	1,072	2,120
1906 ..	2,663	1,017	477	1,494	1,141	2,635
1907 ..	2,949	1,169	747	1,916	1,116	3,032
1908 ..	2,123	731	454	1,185	1,079	2,264
1909 ..	2,166	643	723	1,366	1,099	2,465
1910 ..	3,152	1,054	968	2,022	984	3,006
1911 ..	2,467	1,014	668	1,682	953	2,635
1912 ..	2,540	383	923	1,306	1,078	2,384

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864
In thousands of Bales (000's omitted). —*contd.*

Year ending 31st August.	Receipts.		Total Receipts.	Exports.			Total Exports.	Mill Consumption.	Total.
	India.	Foreign Countries.		Europe.	China and Japan.	Elsewhere.			
1913	2,733	46	2,779	534	1,023	30	1,587	*1,072	2,659
1914	3,733	6	3,739	1,301	1,245	24	2,570	1,078	3,648
1915	2,683	5	2,688	405	1,441	15	1,861	1,026	2,887
1916	3,133	6	3,139	294	1,691	8	1,993	1,096	3,089
1917	3,103	17	3,120	302	1,321	7	1,630	1,136	2,765
1918	2,279	27	2,306	293	1,213	7	1,513	1,068	2,581
1919	2,525	18	2,543	195	885	11	1,091	1,000	2,091
1920	3,405	22	3,427	629	1,579	24	2,232	957	3,189
1921	2,786	116	2,902	494	1,381	26	1,901	1,061	2,962
1922	3,383	109	3,492	645	1,896	52	2,593	1,074	3,667
1923	3,611	61	3,672	851	2,086	53	2,990	1,060	4,050
1924	3,227	93	3,320	1,104	1,558	53	2,715	821	3,536
1925	3,573	95	3,668	713	2,021	33	2,767	995	3,762
1926	3,208	127	3,335	552	1,874	26	2,452	778	3,230
1927	2,692	474	3,166	419	1,539	27	1,985	995	2,980
1928	3,235	189	3,424	798	1,391	34	2,223	569	2,792
1929	3,233	123	3,356	906	1,796	61	2,763	631	3,394
1930	3,317	163	3,480	946	1,647	63	2,656	877	3,533
1931	2,933	470	3,403	599	1,903	27	2,529	839	3,368
1932	1,557	538	2,095	154	762	38	954	921	1,875
1933	2,286	249	2,535	426	1,200	30	1,656	798	2,454
1934	2,293	223	2,516	396	1,136	23	1,555	613	2,168
1935	2,031	471	2,502	413	1,171	34	1,618	885	2,503
1936	2,877	293	3,170	516	1,464	34	2,014	836	2,850
1937	2,643	486	3,129	487	1,591	53	2,131	828	2,959
1938	1,825	728	2,553	354	803	64	1,221	1,037	2,258
1939	1,953	401	2,354	138	865	21	1,024	987	2,011

N.B.—As noted in the Chamber's Report for 1913, the figures shown above represent the volume of trade in cotton from 1st September to 31st August instead of for the year ending 30th June as was previously the case.

* Year ending 30th June.

RAINFALL AT BOMBAY, 1843 TO 1939.

The following statement showing the Rainfall recorded at the Colaba Observatory, Bombay, for each month during the years 1843-1939, is published for the information of members :—

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1843 ..	..	..	..	..	0.15	7.61	20.62	17.70	8.39	0.77	..	..	55.24
1844 ..	0.06	0.33	..	..	..	18.58	29.28	5.91	8.05	0.40	..	0.10	62.71
1845 ..	..	..	..	..	..	17.88	18.07	9.54	8.63	..	..	..	54.12
1846 ..	..	..	..	..	..	26.41	33.19	6.65	6.65	1.03	..	..	73.93
1847 ..	0.09	0.02	..	0.31	1.40	37.56	16.46	8.68	5.68	0.28	5.53	..	76.01
1848 ..	..	..	..	0.59	5.67	39.98	13.90	7.37	2.32	5.84	0.19	..	75.86
1849 ..	0.34	..	..	..	..	23.41	50.99	12.66	26.13	0.75	0.61	..	114.89
1850 ..	..	..	..	..	..	14.80	20.15	5.39	4.77	4.89	0.25	..	50.25
1851 ..	..	..	..	..	0.52	24.50	47.02	20.03	3.89	0.04	0.07	..	96.07
1852 ..	..	..	0.01	..	0.30	21.76	22.17	11.16	12.67	0.19	..	1.01	69.27
1853 ..	..	0.05	0.02	..	..	33.76	13.05	5.95	9.83	..	..	..	62.66
1854 ..	..	..	..	..	..	16.34	38.95	3.90	13.61	7.49	1.85	..	82.14
1855 ..	..	..	..	..	..	29.18	11.83	3.82	5.29	9.06	..	..	50.18
1856 ..	..	..	..	..	2.09	24.66	24.48	6.73	7.78	0.06	..	0.12	65.92
1857 ..	..	..	..	..	0.57	9.26	8.74	15.71	14.21	2.78	..	..	51.27
1858 ..	..	..	..	0.15	1.57	14.44	20.12	7.48	15.47	3.22	..	..	62.45
1859 ..	..	..	..	..	..	26.87	28.70	14.59	5.94	1.06	..	..	77.16
1860 ..	..	..	..	..	0.03	21.97	22.39	7.11	8.15	2.50	..	..	62.15
1861 ..	..	..	..	..	0.69	15.43	25.34	30.35	3.24	1.86	..	..	76.91
1862 ..	..	..	..	..	0.01	22.31	15.10	12.65	21.69	1.42	0.45	..	73.63
1863 ..	0.41	..	..	0.11	0.07	23.41	30.78	10.60	9.98	2.32	..	..	77.68
1864 ..	..	..	..	..	0.01	15.42	13.36	10.72	5.59	..	0.47	..	45.57
1865 ..	0.38	..	..	..	..	10.61	18.28	36.42	4.86	6.16	1.14	..	77.85
1866 ..	..	0.11	..	..	..	13.47	40.34	20.34	3.44	0.74	..	..	78.44
1867 ..	..	..	..	..	..	8.70	39.39	12.21	6.80	5.07	0.13	..	72.30
1868 ..	..	..	0.01	..	..	13.52	20.43	20.29	7.71	0.14	0.02	..	62.12
1869 ..	..	..	..	..	0.03	26.22	23.89	15.24	22.56	3.55	0.05	0.12	91.66
1870 ..	..	..	0.03	0.02	..	21.73	26.43	6.27	7.08	4.65	..	..	66.21
1871 ..	2.22	..	..	..	1.25	8.91	9.96	8.95	6.01	0.25	2.97	0.06	40.58
1872 ..	..	..	..	..	0.06	24.43	24.84	9.49	16.59	1.07	..	..	76.48
1873 ..	..	0.05	..	..	0.51	20.36	8.98	23.96	7.77	0.07	..	..	69.70
1874 ..	..	..	..	..	0.05	18.68	41.24	11.14	11.05	0.02	..	..	82.18
1875 ..	0.47	..	..	..	..	24.36	15.39	12.23	31.76	..	0.35	..	84.56
1876 ..	..	..	..	..	0.01	12.97	23.69	8.66	4.68	..	..	..	50.01
1877 ..	0.22	0.52	..	..	..	35.58	11.10	8.51	8.89	8.33	..	..	73.15
1878 ..	0.03	..	..	0.02	0.02	19.99	48.33	20.46	16.42	4.89	2.61	..	112.77
1879 ..	..	..	0.03	..	5.23	16.56	11.21	22.36	5.61	0.40	..	..	61.40
1880 ..	..	0.01	0.02	..	..	21.48	18.37	4.08	22.80	1.18	..	..	67.94
1881 ..	..	..	0.04	..	0.36	15.29	29.47	19.06	4.56	4.17	0.09	..	73.04
1882 ..	..	0.04	0.02	0.08	0.02	27.54	26.94	3.36	10.08	1.12	0.03	..	69.23
1883 ..	0.12	..	..	..	0.33	13.65	39.88	12.57	12.37	10.40	0.86	..	90.18
1884 ..	0.03	..	..	..	..	13.25	25.87	15.29	17.04	2.22	0.60	1.14	75.44
1885 ..	..	..	..	..	0.02	5.11	21.81	25.42	12.01	3.54	..	..	67.91
1886 ..	..	..	..	0.01	0.96	43.45	35.79	10.69	6.54	1.69	0.61	..	99.74
1887 ..	..	..	..	0.02	0.09	24.07	30.98	17.59	18.23	2.79	1.02	0.16	94.95
1888 ..	1.85	0.02	0.10	..	..	15.76	22.47	11.43	4.92	0.11	1.16	..	57.82
1889 ..	..	..	..	..	0.67	19.89	30.45	10.32	2.71	3.80	..	..	67.84
1890 ..	..	..	..	0.01	0.06	24.55	21.54	10.61	6.45	0.58	1.25	1.13	66.18
1891 ..	..	..	0.22	..	..	13.99	32.48	6.94	22.53	1.04	..	..	77.20
1892 ..	..	..	..	..	0.11	13.30	23.86	36.56	18.73	1.89	0.67	..	95.12
1893 ..	..	0.14	..	0.02	6.30	21.47	16.14	13.55	7.54	0.45	1.63	..	67.24
1894 ..	0.22	..	0.06	0.01	..	16.87	26.16	8.40	12.04	3.08	..	0.01	66.85
1895 ..	..	0.07	..	..	0.08	17.84	18.04	15.97	11.91	3.62	0.06	..	67.59
1896 ..	..	..	..	..	0.26	28.02	36.44	20.77	1.62	0.01	0.53	..	87.65
1897 ..	0.01	..	..	..	..	14.40	30.19	13.82	20.60	2.51	0.22	..	81.75
1898 ..	..	0.17	..	..	0.16	27.21	20.72	5.28	19.94	0.48	0.13	..	74.09
1899 ..	..	..	..	1.57	0.08	20.81	4.72	5.23	3.49	..	..	..	35.90
1900 ..	..	..	..	..	..	18.26	25.75	17.62	7.49	..	..	..	69.12
1901 ..	0.74	..	..	0.04	0.01	25.36	32.70	14.27	1.81	0.39	..	..	75.32

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1902	..	..	..	..	..	9.77	16.96	16.53	27.11	0.78	0.01	0.81	71.99
1903	..	..	..	0.17	..	7.79	19.75	24.82	18.23	7.82	5.91	..	..	84.42
1904	..	..	..	0.07	..	0.02	15.10	10.14	5.72	1.81	0.56	..	..	33.42
1905	..	..	0.08	..	..	..	6.53	15.30	4.35	6.16	0.20	1.04	..	33.56
1906	..	..	0.15	..	..	..	12.91	18.34	20.92	3.98	..	..	..	56.30
1907	..	..	0.27	..	0.06	..	22.48	59.05	15.99	2.26	0.67	..	..	100.73
1908	..	0.09	0.07	0.06	..	..	12.39	23.65	9.87	6.79	0.62	..	..	53.54
1909	..	..	..	..	..	..	16.60	30.05	8.52	16.05	..	..	..	71.22
1910	..	..	..	..	..	0.03	23.50	6.50	18.15	15.25	4.29	0.14	..	57.86
1911	..	0.06	..	..	..	0.04	10.85	15.24	17.09	2.96	..	0.27	..	46.51
1912	..	..	..	..	..	0.43	10.79	25.40	9.90	3.26	0.65	3.62	..	54.05
1913	..	..	0.07	..	..	..	25.81	33.33	3.72	5.75	2.35	..	..	71.03
1914	..	..	0.08	..	0.07	..	16.65	30.13	13.27	21.06	0.01	0.18	..	81.45
1915	..	..	0.30	0.69	0.06	0.36	39.78	14.62	8.45	10.78	2.55	0.02	..	77.67
1916	..	..	..	..	0.04	0.07	23.43	22.78	19.51	14.59	4.79	0.72	..	85.93
1917	..	..	1.68	..	..	0.88	14.96	13.26	32.18	16.92	19.96	..	..	99.84
1918	..	..	..	1.46	..	11.00	10.82	4.25	4.81	3.11	..	0.09	..	35.54
1919	..	0.11	..	..	..	..	16.31	31.30	10.85	8.03	1.54	0.18	..	68.32
1920	..	0.99	0.33	..	..	..	8.16	22.00	5.18	4.05	0.34	..	..	41.05
1921	..	..	..	..	..	..	26.74	35.68	10.36	13.02	0.22	..	..	86.02
1922	..	..	..	..	..	..	26.48	31.15	5.08	6.95	0.61	..	0.14	70.41
1923	..	..	0.05	..	0.02	..	7.19	43.26	8.72	18.32	..	..	..	77.56
1924	..	..	..	..	..	..	7.46	16.73	15.43	12.13	0.06	0.38	..	52.19
1925	..	..	..	..	..	2.76	27.86	8.38	7.71	3.52	0.22	0.37	..	50.82
1926	..	2.99	..	..	..	0.10	6.19	30.88	22.21	8.98	1.29	..	..	72.64
1927	..	..	0.04	0.03	..	..	32.52	16.85	6.74	5.33	7.30	5.48	0.09	74.38
1928	..	..	0.01	..	..	..	27.71	30.93	16.65	9.91	0.43	0.09	..	85.72
1929	..	0.63	..	0.02	0.04	..	25.45	16.08	6.06	5.58	4.82	0.22	0.86	59.76
1930	..	..	..	..	..	0.02	26.71	10.26	6.64	43.85	52.50	..	..	89.98
1931	..	..	..	..	0.01	..	6.08	47.50	23.71	4.48	13.07	2.40	0.69	97.94
1932	..	..	..	..	..	..	10.62	35.30	6.96	11.13	9.01	0.01	..	73.03
1933	..	..	..	..	..	2.85	10.29	14.13	18.81	12.31	3.04	0.01	0.93	62.37
1934	..	..	..	..	..	..	28.5	21.4	14.00	5.00	0.20	3.80	..	73.81
1935	..	..	..	..	..	..	27.9	24.10	16.69	11.90	1.04	0.18	..	81.60
1936	..	..	..	..	..	0.33	32.63	8.09	9.27	5.72	0.01	2.31	..	58.36
1937	..	..	0.50	..	0.10	..	18.32	30.40	5.40	14.20	1.70	..	..	70.62
1938	..	..	..	..	..	1.3	31.3	16.00	16.80	10.3	15.2	1.1	..	92.00
1939	..	..	..	..	..	..	4.67	33.07	10.88	5.39	.17	..	..	54.18

RAINFALL OF THE YEAR 1939.

The following table is compiled from the Reports issued by the Meteorological Department in order to present, in a condensed form, a definite record of the weather during the South-West Monsoon months of the past year and also during the whole year :—

Division.	Station.	From 1st June to 31st Oct. 1939.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1939.	Annual normal.
Bay Islands ..	Port Blair	73.1	—9.3	109.6	123
Burma	Victoria Point	..	..	180.0	166
	Rangoon	96.1	+14.6	120.3	99
	Diamond Island	..	..	127.5	118
	Akyab	192.4	+12.0	206.4	203

Division	Station.	From 1st June to 31st Oct. 1939.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1939.	Annual normal.
BURMA	Mandalay	32.7	+10.0	44.4	32
ASSAM	Dibrugarh	69.6	— 7.6	95.3	108
	Sibsagar	70.5	+ 6.2	90.6	96
	Tezpur	63.1	+ 9.9	77.6	74
	Gauhati	41.9	— 3.6	49.4	65
	Dhubri	47.6	—25.9	77.8	97
	Silchar	86.9	+ 4.8	128.8	125
BENGAL	Cox's Bazar	141.7	+23.7	156.0	141
	Chittagong	93.4	+12.1	108.1	103
	Dacca (Narayanganj)	..	..	77.5	74
	Barisal	89.2	+26.3	96.1	82
	Jessore	79.5	+30.2	89.6	66
	Calcutta	72.1	+20.9	78.8	63
	Saugor Island	77.8	+18.5	..	69
	Burdwan	61.2	+ 5.1	58.3	59
	Berhampore	63.2	+16.1	67.8	57
	Mymensingh	68.1	— 2.3	84.0	93
	Bogra	70.4	+13.4	73.3	71
	Dinajpur	68.2	+ 8.7	76.6	71
	Jalpaiguri	118.7	+13.8	132.2	122
ORISSA	Balasore	43.0	— 7.1	49.2	63
	Chandbali	45.4	..	49.0	61
	Cuttack	49.0	— 1.2	52.4	59
	Gopalpur	29.0	— 7.0	32.5	45
	Sambalpur	74.4	+13.8	78.5	66
CHOTA NAGPUR ..	Chaibasa	42.1	— 1.3	47.0	52
	Ranchi	56.9	+ 7.3	64.7	57
	Hazaribagh	62.1	+15.1	65.7	53
	Daltonganj	51.1	+10.8	52.8	45
BIHAR	Purnea	52.5	— 2.2	60.3	62
	Darbhanga	35.0	..	40.0	..
	Patna	49.9	+ 5.4	53.6	49
	Gaya	37.2	— 6.4	42.0	47
	Naya Dumka	63.2	+13.3	68.5	57
UNITED PROVINCES, EAST.	Gorakhpur	52.8	+ 6.4	54.1	50
	Benares	31.9	— 5.7	35.2	41
	Allahabad	46.1	..	33.6	..
	Cawnpore	33.0	— 0.2	34.3	36
	Lucknow	32.6	— 2.4	33.6	39
	Bahraich	41.4	+ 0.9	42.4	45
UNITED PROVINCES, WEST	Jhansi	33.4	— 0.5	34.2	36
	Agra	38.8	+14.3	40.1	27
	Mainpuri	20.0	— 4.0	20.7	27
	Bareilly	29.2	—10.3	30.5	44
	Meerut	17.1	—10.5	21.0	32
	Roorkee	26.5	— 9.4	30.9	42
	Dehra Dun	94.3	+20.4	100.6	83
PUNJAB, EAST AND NORTH.	New Delhi	15.9	— 7.1	17.7	27
	Hissar	6.9	— 7.9	9.8	18
	Ambala	18.5	— 5.6	24.7	30
	Ludhiana	12.0	—10.4	17.3	29
	Lahore	9.5	— 5.6	14.4	20
	Sialkot	16.2	— 6.7	26.9	31
	Rawalpindi	17.9	— 5.1	39.6	35
PUNJTB, SOUTH-WEST.	Khushab	8.9	— 0.9	13.5	25
	Lyallpur	5.6	— 5.7	..	13
	Montgomery	2.8	— 5.1	5.8	11
	Leih	2.6	..	4.8	..
	Multan	2.6	— 2.5	5.2	7
	Fort Abbas	..	..	4.9	..
	Bahawalpur	1.7	— 2.1	3.7	6
	Khanpur	0.3	— 4.5	1.7	7

Division.	Station.	From 1st June to 31st Oct. 1939.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1939.	Annual normal.
KASHMIR.. ..	Srinagar	5.0	— 3.2	22.0	26
	Sonamarg	22.9	+ 7.3	97.3	71
	Dras	4.2	+ 0.9	50.1	22
	Leh	0.7	— 0.9	1.6	3
	Skardu	0.2	— 1.8	3.3	7
	Gilgit	1.7	— 0.3	5.1	5
N. W. FRONTIER PROVINCES.	Peshawar	1.7	— 3.1	14.3	14
	Miranshah	2.6	..	..	..
	Dera Ismail Khan	1.5	— 4.0	5.8	9
BALUCHISTAN ..	Fort Sandeman	3.5	— 2.1	11.6	11
	Harnai	3.3	— 4.4	16.8	13
	Quetta	0.6	..	13.9	10
	Chaman	..	— 0.3	12.0	7
	Kalat	..	— 1.3	10.7	7
	Dalbandin	..	— 0.3	2.3	4
	Nokkundi	..	..	6.4	..
	Panjgur	0.3	..	8.8	6
	Pasni	..	— 1.1	..	6
SIND	Jacobabad	..	— 2.3	2.7	4
	Naushahro	..	..	..	4
	Hyderabad	..	— 6.0	1.3	7
	Karachi	0.1	— 5.8	4.5	8
	Badin	..	..	0.8	9
RAJPUTANA, WEST.	Sri Ganganagar	4.7	..	7.7	10
	Bikaner	2.5	7.3	3.6	12
	Jodhpur	5.9	— 6.5	6.0	14
	Barmer	5.8	..	7.5	10
	Jaipur	7.4	—14.6	9.1	24
	Ajmer	7.5	—11.1	9.7	21
RAJPUTANA, EAST.	Kotah	19.9	— 6.4	20.7	28
	Brijnagar	27.8	..	28.3	36
	Udaipur	16.3	— 5.7	17.5	24
GUJARAT ..	Deesa	11.0	—12.7	11.4	25
	Bhuj	0.9	—12.9	2.8	14
	Dwarka	1.2	—11.5	1.5	14
	Rajkot	5.7	—19.7	6.1	26
	Veraval	11.0	— 7.1	11.0	19
	Surat	29.0	—11.2	29.3	41
	Bhavnagar	24.8	+ 4.6	25.3	21
	Ahmedabad	19.7	— 8.3	19.9	29
	Dohad	24.7	..	25.1	29
	Baroda	24.7	..	25.1	..
CENTRAL INDIA, WEST.	Guna	35.5	..	36.3	..
	Neemuch	17.6	— 9.9	18.0	29
	Indore	31.7	+ 0.4	32.2	33
	Bhopal	48.3	..	50.5	44
CENTRAL INDIA, EAST.	Nowgong	39.1	— 0.8	40.4	43
	Sutna	45.3	+ 4.0	47.9	45
BERAR	Akola	25.5	— 3.2	27.0	31
	Amraoti	24.8	— 5.2	28.1	33
	Khandwa	24.9	— 2.8	26.5	30
	Hoshangabad	54.9	+ 8.9	56.1	49
CENTRAL PROVINCES, WEST.	Saugor	41.4	— 0.6	41.8	45
	Jubbulpore	51.3	+ 0.1	53.9	55
	Seoni	58.1	+ 9.5	62.3	53
	Nagpur	34.7	—10.1	36.8	49
	Pendra	56.1	+12.3	63.4	50
CENTRAL PROVINCES, EAST.	Raipur	55.6	+ 8.9	58.8	51
	Kanker	38.8	..	44.0	51
	Chanda	35.1	—12.6	37.6	52
	Jagdalpur	44.7	—11.8	50.1	64
	Bombay	54.2	—14.9	54.3	71
KONKAN ..	Ratnagiri	124.9	+27.6	125.8	100
	Marmagoa	74.1	..	75.2	..
	Karwar	111.9	..	113.7	..

Division.	Station.	From 1st June to 31st Oct. 1939.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1939.	Annual normal.
Bombay Deccan	Jalgaon	25.2	..	26.4	29
	Malegaon	19.0	— 1.1	21.2	22
	Ahmednagar	12.7	— 6.8	15.1	22
	Khandala	168.4	..	169.6	..
	Poona	17.7	— 6.3	17.9	27
	Sholapur	12.9	—11.6	13.7	28
	Miraj	18.9	..	21.7	25
	Bijapur	20.3	+ 3.1	21.5	21
	Belgaum	61.8	+18.3	64.7	50
	Gadag	24.9	..	31.8	25
Hyderabad, North.	Aurangabad	25.1	+ 0.3	27.1	28
	Parbhani	19.1	— 9.9	21.8	33
	Nizamabad	36.2	— 0.6	37.0	40
Hyderabad, South.	Gulbarga	20.6	— 6.5	21.6	31
	Hyderabad (Bpt.)	17.9	— 9.2	20.9	32
	Hanamkonda	24.8	— 5.6	26.3	34
Mysore	Chitaldrug	23.4	+ 5.7	34.1	25
	Bangalore	23.5	— 2.0	35.2	35
	Mysore	18.5	— 1.8	30.0	31
Malabar	Mangalore	107.5	— 6.9	116.3	126
	Calicut	99.1	+ 1.3	115.3	117
	Cochin	101.5	+15.1	138.8	114
	Trivandrum	37.1	— 2.5	71.6	65
Madras South East.	Palamcottah	4.8	— 4.8	17.8	28
	Pamban	2.0	— 9.7	29.4	37
	Madura	18.3	— 2.2	36.2	34
	Negapatam	12.3	— 8.7	55.6	55
	Trichinopoly	22.3	+ 3.8	52.1	63
	Coimbatore	16.1	+ 4.0	25.0	22
	Salem	32.6	+ 5.6	48.1	39
	Cuddalore	29.5	+ 2.9	67.2	53
	Vellore	20.7	— 6.8	40.2	42
	Madras	13.6	—13.6	33.7	51
Madras, Deccan	Cuddapah	21.0	— 2.9	26.6	31
	Bellary	14.8	— 0.2	18.5	21
	Kurnool	15.9	— 6.5	20.0	26
	Anantapur	20.9	..	28.8	25
	Rentichintala	24.7	..	..	..
Madras Coast, North.	Nellore	20.7	+ 0.3	37.3	38
	Masulipatam	40.9	+ 8.7	47.7	42
	Cocanada	50.0	+20.3	6.0	39
	Vizagapatam	26.2	— 2.1	32.9	37
	Calingapatam	26.1	— 7.2	28.9	42
Hill Stations, excluding Kashmir and Baluchistan.	Shillong	71.8	+ 9.1	87.0	84
	Cherrapunji	368.2	+34.7	431.0	424
	Darjeeling	..	..	110.3	131
	Muktesar	37.3	— 3.1	44.9	52
	Mussooree	55.5	—13.7	65.9	84
	Simla	43.3	— 7.4	51.9	64
	Dharampur	35.9	..	44.3	55
	Dalhousie	47.1	— 8.7	81.5	85
	Murree	24.1	—13.6	53.0	60
	Cherat	8.0	— 3.8	32.4	28
	Parachinar	8.7	..	22.2	30
	Drosh	3.6	..	19.9	17
	Mount Abu	18.5	—40.0	19.8	61
	Pachmarhi	94.7	+22.1	96.8	77
	Mahableshwar	221.5	—38.6	228.6	265
	Mercara	96.3	—16.0	104.7	125
	Kodaikanal	..	..	70.1	62
	Ootacamund	39.2	+ 3.9	67.0	56
Ceylon	Colombo	39.0	+ 3.7	96.8	84

STATEMENT showing the Total Measurement of Bales and Miscellaneous Packages with Receipts, Expenditure, etc.

Year ending	No. of Bales and Packages measured.	Receipts.	Expenditure.	Surplus Receipts.	Excess of Expenditure.
		Rs.	Rs.	Rs.	Rs.
From 18th May 1870 to 30th November 1872	Not recorded.	52,215	36,315	15,900	..
From 1st Dec., 1872 to 30th November 1873	1,086,577	16,995	15,291	1,704	..
Year ending 30th November 1874 ..	1,402,379	21,707	18,986	2,721	..
Do. 30th November 1875 ..	1,474,470	23,039	22,009	1,030	..
Do. 30th November 1876 ..	1,240,034	19,375	22,355	..	2,980
Do. 30th November 1877 ..	1,101,318	18,324	21,561	..	3,237
Do. 30th November 1878 ..	1,040,961	20,837	23,287	..	2,450
Do. 30th November 1879 ..	887,100	28,808	20,140	8,668	..
Do. 30th November 1880 ..	1,163,545	33,219	20,084	13,135	..
Do. 30th November 1881 ..	1,313,592	25,177	24,029	1,147	..
Do. 30th November 1882 ..	1,892,796	33,225	24,757	8,468	..
Do. 30th November 1883 ..	1,852,047	33,792	25,605	8,187	..
Do. 30th November 1884 ..	1,814,986	33,404	22,604	10,800	..
Do. 31st December 1885 ..	1,402,845	29,482	24,385	5,097	..
Do. 31st December 1886 ..	1,748,856	32,893	21,582	11,311	..
Do. 31st December 1887 ..	1,845,446	35,933	20,017	15,916	..
Do. 31st December 1888 ..	1,659,273	36,371	21,057	15,314	..
Do. 31st December 1889 ..	2,156,604	43,042	21,648	21,394	..
Do. 31st December 1890 ..	2,330,935	45,872	23,171	22,701	..
Do. 31st December 1891 ..	2,012,900	39,533	23,402	16,131	..
Do. 31st December 1892 ..	1,946,389	38,017	24,495	13,522	..
Do. 31st December 1893 ..	1,691,755	32,517	24,273	8,244	..
Do. 31st December 1894 ..	1,708,723	33,665	25,156	8,509	..
Do. 31st December 1895 ..	1,679,325	34,921	21,546	13,375	..
Do. 31st December 1896 ..	2,049,862	40,061	22,240	17,821	..
Do. 31st December 1897 ..	1,746,610	33,956	22,484	11,472	..
Do. 31st December 1898 ..	1,910,140	36,174	21,100	15,074	..
Do. 31st December 1899 ..	2,132,663	41,684	21,041	20,643	..
Do. 31st December 1900 ..	1,147,591	28,302	20,844	7,458	..
Do. 31st December 1901 ..	2,947,198	45,497	21,918	23,579	..
Do. 31st December 1902 ..	2,159,823	43,709	26,865	16,844	..
Do. 31st December 1903 ..	2,664,171	53,654	31,522	22,132	..
Do. 31st December 1904 ..	2,292,791	48,673	19,666	29,007	..
Do. 31st December 1905 ..	2,534,599	53,255	21,427	31,828	..
Do. 31st December 1906 ..	2,685,432	54,215	23,516	30,699	..
Do. 31st December 1907 ..	2,976,312	60,171	27,054	33,117	..
Do. 31st December 1908 ..	2,302,349	48,844	29,706	19,138	..
Do. 31st December 1909 ..	2,736,023	57,502	28,310	29,192	..
Do. 31st December 1910 ..	3,163,919	65,853	30,617	35,236	..
Do. 31st December 1911 ..	2,390,016	54,123	34,028	20,095	..
Do. 31st December 1912 ..	2,528,825	55,571	31,953	23,618	..
Do. 31st December 1913 ..	3,127,997	64,049	32,441	31,608	..
Do. 31st December 1914 ..	3,336,685	65,197	36,014	29,183	..
Do. 31st December 1915 ..	3,361,744	73,410	35,002	38,408	..
Do. 31st December 1916 ..	3,409,241	85,407	37,571	47,836	..
Do. 31st December 1917 ..	2,944,353	67,356	41,360	25,996	..
Do. 31st December 1918 ..	1,933,943	73,386	41,640	31,746	..
Do. 31st December 1919 ..	2,910,991	86,189	46,154	40,035	..
Do. 31st December 1920 ..	3,027,873	1,06,901	70,146	36,755	..
Do. 31st December 1921 ..	3,407,858	1,54,071	70,208	83,863	..
Do. 31st December 1922 ..	3,517,691	1,60,333	76,399	83,934	..
Do. 31st December 1923 ..	2,692,835	1,24,179	76,939	47,240	..
Do. 31st December 1924 ..	2,365,531	1,16,002	72,034	43,968	..
Do. 31st December 1925 ..	2,111,055	1,09,375	69,703	39,672	..
Do. 31st December 1926 ..	1,785,602	1,08,621	68,203	40,418	..
Do. 31st December 1927 ..	1,573,756	1,33,382	74,839	58,543	..
Do. 31st December 1928 ..	1,991,021	1,13,092	71,963	41,129	..
Do. 31st December 1929 ..	1,825,481	1,02,578	69,338	33,240	..
Do. 31st December 1930 ..	1,812,795	1,00,015	69,192	30,823	..
Do. 31st December 1931 ..	1,288,522	82,470	62,917	19,553	..
Do. 31st December 1932 ..	985,491	79,726	60,855	18,871	..
Do. 31st December 1933 ..	1,255,823	77,857	57,161	20,696	..
Do. 31st December 1934 ..	1,185,092	76,414	55,958	20,456	..
Do. 31st December 1935 ..	1,312,477	80,997	60,126	20,871	..
Do. 31st December 1936 ..	1,480,674	87,086	60,676	26,410	..
Do. 31st December 1937 ..	*1,592,567	1,03,975	67,914	36,061	..
Do. 31st December 1938 ..	†1,645,592	1,06,116	79,615	26,501	..
Do. 31st December 1939 ..	‡1,388,253	93,819	75,999	17,820	..

*Includes 112,659 packages weighed.
† Do. 371,120 Do. Do.
‡ Do. 196,887 Do. Do.

Statement showing the Total Measurement and weighment of Bales and Miscellaneous Packages, with Receipts for the years 1923 *to* 1939.

Years.	Nett Bales certified. Measurement				Nett Miscellaneous Articles.				Nett Weighment Packages.				Nett Round Logs.				Extra Fees.				Nett Totals.			
	Number of Bales.	Nett Fees.			Number of Packages.	Nett Fees.			Number of Packages.	Nett Fees.			Number of Lags.	Nett Fees.			Amount.				Packages.	Nett Fees.		
		Rs.	a.	p.		Rs.	a.	p.						Rs.	a.	p.	Rs.	a.	p.			Rs.	a.	p.
1923..	2,024,508	63,265	14	0	668,323	57,951	2	3	..	..			4	2	0	0	2,960	7	6		2,692,835	1,24,179	7	9
1924..	1,723,813	53,869	2	6	641,718	58,174	5	9	..	..							3,958	14	0		2,365,531	1,16,002	6	3
1925..	1,579,403	49,356	5	6	531,652	55,700	2	6	..	..							4,318	7	6		2,111,055	1,09,374	15	6
1926..	1,254,587	39,205	13	6	531,015	63,323	9	0	..	..							6,091	7	6		1,785,602	1,08,620	14	0
1927..	995,512	31,141	0	0	577,244	68,542	0	0	..	..							33,699	10	0		1,573,756	1,33,382	10	0
1928..	1,480,555	46,267	5	6	510,388	60,803	15	0	..	..			78	39	0	0	5,981	6	0		1,991,021	1,13,091	10	6
1929..	1,328,917	41,528	10	6	496,505	58,565	3	0	..	..			59	29	8	0	2,455	0	6		1,825,481	1,02,578	6	0
1930..	1,365,626	42,675	13	0	447,169	51,784	15	0	..	..							5,554	7	6		1,812,795	1,00,015	3	6
1931..	882,510	27,578	7	0	406,012	47,149	1	0	..	..							7,743	1	0		1,288,522	82,470	9	0
1932..	487,331	15,229	1	6	498,160	56,297	1	0									8,199	15	0		985,491	79,726	1	6
1933..	834,305	26,072	0	6	421,518	46,986	4	0	..	..							4,799	2	6		1,255,823	77,857	7	0
1934..	738,590	23,080	15	0	446,502	51,297	12	0									2,035	4	0		1,185,092	76,413	15	0
1935..	861,868	26,933	6	0	450,609	51,453	10	0	..	..							2,610	6	6		1,312,477	80,997	6	6
1936..	1,003,105	31,347	0	6	477,562	54,601	2	0					7	3	8	0	1,134	8	6		1,480,674	87,086	3	0
1937..	890,124	27,818	4	0	589,709	66,567	4	0	112,659	6,953	11	0	15	7	8	0	2,628	3	0		1,592,567	1,03,974	14	0
1938..	771,860	24,120	10	0	502,612	57,301	3	0	371,120	22,882	8	0	..	..			1,812	4	6		1,645,592	1,06,116	9	6
1939..	690,835	21,588	9	6	500,526	57,034	10	0	196,887	12,166	6	0	5	2	8	0	3,027	5	0		1,388,253	93,819	6	6

FINANCIAL STATISTICS.

RESERVE BANK OF INDIA

Balance Sheet as at 31st December 1939.

LIABILITIES.	Rs.	ASSETS.	Rs.
NOTES HELD IN THE BANKING DEPARTMENT :—		Gold Coin and Bullion—	
(a) Legal Tender in India	17,59,30,177	(a) Held in India	41,54,47,807
(b) Legal Tender in Burma only ..	7,36,720	(b) Held outside India	2,86,97,782
NOTES IN CIRCULATION :—		Sterling Securities	1,07,50,11,290
(a) Legal Tender in India	2,25,20,40,178	Rupee Coin	64,04,37,963
(b) Legal Tender in Burma only ..	11,42,66,560	Government of India Rupee Securities	38,33,78,793
		Internal Bills of Exchange and other Commercial Paper	Nil.
Total Rs. ..	2,54,29,73,635	Total Rs. ..	2,54,29,73,635

	Rs.
BALANCE at the credit of Government of India in the Reserve Bank of India on 31st December 1935 ..	8,84,82,000
" " " " " " " " " " " " 1936 ..	9,83,12,000
" " " " " " " " " " " " 1937 ..	9,76,31,226
" " " " " " " " " " " " 1938 ..	11,18,53,088
" " " " " " " " " " " " 1939 ..	12,85,56,799

	Official year 1938-39. Rs.	Official year 1937-38. Rs.	Official year 1936-37. Rs.
COINAGE OF SILVER IN INDIA—(Bombay and Calcutta Mints)—			
Whole Rupees	*Nil.*	*Nil.*	*Nil.*

	Rs.
NET PROFIT ON COINAGE for the year 1938-39.	15,92,915

	Rs.
AMOUNT OF GOVERNMENT PROMISSORY NOTES standing on the London Registers at the end of March 1934 ..	8,16,29,300
" " " " " " " " " " " " " 1935 ..	8,48,36,000
" " " " " " " " " " " " " 1936 ..	7,91,99,000
" " " " " " " " " " " " " 1937 ..	7,74,08,000
" " " " " " " " " " " " " 1938 ..	7,63,18,000
" " " " " " " " " " " " " 1939 ..	7,55,28,150
" " " " " " " " " " " " " 1940 ..	5,44,65,550

IMPORT AND EXPORT TRADE OF BRITISH INDIA.

STATEMENT showing the Annual Value of the Import and Export Trade of British India and the Total Miles of Railway opened.

Calendar Year.	Total Miles of Railway opened.	Year ending 31st March.	Imports.			Exports.		
			Merchandise.	Treasure.	Total Merchandise and Treasure.	Merchandise.	Treasure.	Total Merchandise and Treasure.
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1878 ..	8,217	1878	41,46,41,851	17,35,54,596	58,81,96,447	65,22,23,282	2,21,09,956	67,43,33,238
1879 ..	8,494	1879	37,80,09,835	7,05,67,486	44,85,77,321	60,93,68,769	3,98,22,283	64,91,91,052
1880 ..	9,162	1880	41,17,25,671	11,05,48,948	52,82,74,619	67,21,07,406	2,03,51,479	69,24,58,885
1881 ..	9,890	1881	53,08,68,674	8,99,72,139	62,08,40,213	74,54,09,072	1,44,04,408	75,98,13,480
1882 ..	10,149	1882	49,11,28,724	11,32,27,804	60,43,56,528	81,96,64,102	1,09,97,468	83,06,61,576
1883 ..	10,458	1883	52,09,86,720	13,45,33,642	65,55,20,362	83,48,49,372	1,04,18,488	84,52,67,860
1884 ..	11,631	1884	55,29,89,907	12,87,79,633	68,17,69,540	88,07,64,315	1,00,84,937	89,08,49,252
1885 ..	12,283	1885	55,70,16,804	13,88,81,918	69,58,98,722	83,17,01,507	1,96,89,796	85,13,91,302
1886 ..	12,892	1886	55,65,19,552	15,46,70,808	71,11,90,360	83,86,11,693	1,10,82,310	84,96,94,603
1887 ..	14,103	1887	61,81,19,608	11,04,83,224	72,86,02,832	88,48,10,354	1,72,04,261	90,20,14,615
1888 ..	14,576	1888	65,00,45,881	13,81,25,456	78,81,71,337	90,54,36,458	1,60,46,242	92,14,82,700
1889 ..	15,887	1889	69,43,77,531	13,84,49,249	83,28,26,780	97,06,02,386	1,78,43,819	98,84,46,205
1890 ..	16,401	1890	69,19,93,762	17,45,45,037	86,65,38,799	1,03,44,87,052	1,90,63,218	1,05,35,50,270
1891 ..	17,308	1891	71,97,57,754	21,93,44,876	93,91,02,630	1,00,21,50,575	2,12,31,785	1,02,33,82,360
1892 ..	17,815	1892	69,42,75,659	14,72,26,621	84,15,02,280	1,08,17,79,873	3,28,66,858	1,11,46,46,731
1893 ..	18,504	1893	66,27,86,222	17,00,98,101	83,28,84,323	1,06,57,46,715	6,95,89,237	1,13,53,35,952
1894 ..	18,900	1894	77,02,60,944	18,46,12,564	95,48,73,508	1,06,51,48,540	4,10,01,921	1,10,61,50,461
1895 ..	19,547	1895	73,51,65,042	9,58,12,084	83,09,77,126	1,08,92,91,101	8,22,60,717	1,17,15,51,818
1896 ..	20,254	1896	72,93,61,344	13,36,79,854	86,30,41,198	1,14,34,59,341	4,25,98,105	1,18,60,57,446
1897 ..	21,115	1897	76,21,58,352	13,08,45,635	89,30,03,987	1,03,98,36,184	4,93,74,955	1,08,92,11,139
1898 ..	22,040	1898	73,63,43,159	20,53,06,170	94,16,49,329	97,63,51,802	7,14,86,470	1,04,78,38,272
1899 ..	23,523	1899	72,11,07,161	17,89,56,127	90,00,63,238	1,12,80,11,811	7,41,14,207	1,20,21,26,018
1900 ..	24,752	1900	75,30,44,785	20,97,36,851	96,27,81,636	1,09,11,36,448	7,95,63,876	1,17,07,00,324

1901 ..	25,363	1901	80,89,40,873	24,57,61,818	1,05,47,02,691	1,07,76,44,143	14,22,73,646	1,21,99,17,789
1902 ..	25,931	1902	88,74,24,199	20,87,13,352	1,09,61,37,551	1,24,52,48,571	11,47,08,603	1,35,99,57,174
1903 ..	26,956	1903	85,86,60,829	25,31,83,178	1,11,18,44,007	1,29,40,79,337	9,65,76,370	1,39,06,55,707
1904 ..	27,565	1904	92,59,22,723	38,52,61,072	1,31,11,83,795	1,53,51,71,599	15,04,38,811	1,68,56,10,410
1905 ..	28,295	1905	1,04,41,27,454	39,50,81,750	1,43,92,09,204	1,57,70,83,029	16,42,88,167	1,74,13,71,196
1906 ..	29,097	1906	1,12,07,09,822	31,65,14,438	1,43,72,24,260	1,61,85,53,960	15,47,00,054	1,77,32,54,014
1907 ..	30,010	1907	1,17,24,15,294	44,57,98,114	1,61,82,13,408	1,76,66,94,270	5,71,82,526	1,82,38,76,796
1908 ..	30,576	1908	1,36,53,80,464	42,28,44,977	1,78,82,25,441	1,77,37,29,392	5,44,85,001	1,82,82,14,393
1909 ..	31,490	1909	1,28,77,81,788	22,74,41,677	1,51,52,23,465	1,53,14,31,953	6,32,02,465	1,59,46,34,418
1910 ..	32,099	1910	1,22,64,97,224	37,52,34,734	1,60,17,31,958	1,87,83,04,410	6,39,90,403	1,94,22,94,813
1911 ..	32,839	1911	1,33,70,57,458	39,77,35,730	1,73,47,93,188	2,10,15,16,030	7,12,69,254	2,17,27,85,284
1912 ..	33,484	1912	1,44,05,54,383	53,47,08,480	1,97,52,62,863	2,27,98,82,325	10,37,39,063	2,38,36,21,388
1913 ..	34,656	1913	1,66,62,96,807	61,83,17,536	2,28,46,14,343	2,46,21,83,342	10,63,17,656	2,56,85,00,998
*1913-14..	34,656	1914	1,91,30,79,586	43,43,96,503	2,34,74,76,089	2,49,00,74,896	7,08,28,850	2,56,09,03,746
*1914-15..	35,285	1915	1,44,93,07,207	21,80,83,236	1,66,73,90,443	1,82,17,60,256	5,28,94,370	1,87,46,54,626
*1915-16..	35,833	1916	1,38,16,93,032	11,94,62,390	1,50,11,55,422	1,99,48,03,975	8,22,57,819	2,07,70,61,794
*1916-17..	36,286	1917	1,60,24,89,599	38,45,26,695	1,98,70,16,294	2,47,37,74,815	6,41,72,070	2,53,79,46,885
*1917-18..	36,333	1918	1,64,35,48,949	51,76,43,160	2,16,11,92,109	2,44,90,40,505	7,54,39,185	2,52,44,79,690
*1918-19..	36,616	1919	1,88,56,24,317	71,36,55,075	2,59,92,79,392	2,55,32,02,610	9,01,03,571	2,64,33,06,181
*1919-20..	36,735	1920	2,21,70,24,425	78,23,88,554	2,99,94,12,979	3,32,75,78,755	13,67,97,719	3,46,43,76,474
*1920-21..	37,029	1921	3,47,13,52,122	34,76,34,962	3,81,89,87,084	2,67,64,36,175	26,17,12,640	2,93,81,48,815
*1921-22..	37,266	1922	2,82,59,75,453	31,29,90,526	3,13,89,65,979	2,48,65,76,106	19,06,73,144	2,67,72,49,250
*1922-23..	37,618	1923	2,46,19,24,109	63,57,96,096	3,09,77,20,205	3,16,07,16,915	3,01,71,845	3,19,08,88,760
*1923-24..	38,039	1924	2,37,18,32,279	53,20,40,566	2,90,38,72,845	3,63,37,63,664	3,67,32,510	3,67,04,96,174
*1924-25..	38,270	1925	2,53,36,36,608	99,19,84,987	3,52,56,21,595	4,00,24,27,531	5,16,81,392	4,05,41,08,923
*1925-26..	38,610	1926	2,36,00,12,595	55,48,77,580	2,91,48,90,175	3,86,81,21,842	3,83,91,668	3,90,65,13,510
*1926-27..	39,048	1927	2,40,81,84,303	41,53,20,573	2,82,35,04,876	3,11,05,04,300	2,21,13,404	3,13,26,17,704
*1927-28..	39,048	1928	2,61,53,40,569	34,89,52,529	2,96,42,94,098	3,30,26,37,283	3,13,60,896	3,33,39,98,179
*1928-29..	40,330	1929	2,63,39,79,360	37,29,42,646	3,00,69,22,006	3,39,15,06,656	6,35,31,454	3,45,50,38,110
*1929-30..	41,723	1930	2,49,70,74,490	27,83,19,584	2,77,53,94,074	3,18,98,97,089	5,14,33,004	3,24,13,30,093
*1930-31..	42,281	1931	1,73,06,25,932	26,86,34,373	1,99,92,60,305	2,26,50,21,864	4,00,08,598	2,30,50,30,462
*1931-32..	42,813	1932	1,30,64,28,506	7,26,80,825	1,37,91,09,331	1,61,20,22,325	65,92,85,265	2,27,13,07,590
*1932-33..	42,973	1933	1,35,01,76,054	2,99,13,188	1,38,00,89,242	1,35,93,34,109	70,66,15,528	2,06,59,49,637
*1933-34..	42,973	1934	1,17,30,45,422	1,96,15,215	1,19,26,60,637	1,51,17,15,209	65,56,63,908	2,16,73,79,117
*1934-35..	43,021	1935	1,34,58,25,058	5,19,17,165	1,39,77,42,223	1,55,49,71,644	63,50,46,139	2,19,00,17,783
*1935-36..	43,118	1936	1,36,76,36,945	7,44,88,569	1,44,21,25,514	1,64,59,67,984	45,66,88,147	2,10,26,56,131
*1936-37..	43,128	1937	1,27,72,13,251	15,50,89,994	1,43,23,03,245	2,02,48,95,019	30,20,40,314	2,32,69,35,333
†*1937-38.	41,076	1938	1,77,22,27,989	4,71,24,768	1,81,93,52,757	1,89,76,39,162	19,76,70,257	2,09,53,09,419
†*1938-39.	41,134	1939	1,55,52,31,515	3,24,24,564	1,58,76,56,079	1,69,81,09,774	15,21,37,899	1,85,02,47,673

* Official year ending 31st March.

† Exclusive of Burma due to separation.

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports for the Official Years 1933-34 *to* 1938-39.

——	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.*	1938-39.*
IMPORTS—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Merchandise, Private—						
Bengal	32,82,95,421	36,15,44,994	38,69,34,037	35,76,03,742	51,60,04,909	51,38,97,684
Orissa	..	..	..	64,612	92,221	54,722
Bombay	46,18,75,025	53,69,54,890	54,52,53,450	49,32,91,658	73,74,39,889	60,15,43,524
Sind	12,96,47,462	15,24,73,187	14,62,25,407	14,03,04,510	19,58,29,748	16,17,30,142
Madras	14,81,00,305	17,35,12,513	15,71,10,641	15,26,58,114	28,85,09,322	24,61,44,787
Burma	8,56,51,931	9,83,79,069	10,87,08,850	10,84,82,789	..	..
Total ..	1,15,35,70,144	1,32,28,64,653	1,34,42,32,385	1,25,24,05,425	1,73,78,76,089	1,52,33,70,859
Do. Government Stores.	1,94,75,278	2,29,60,405	2,34,04,560	2,48,07,826	3,43,51,900	3,18,60,656
Total Merchandise ..	1,17,30,45,422	1,34,58,25,058	1,36,76,36,945	1,27,72,13,251	1,77,22,27,989	1,55,52,31,515
Treasure, Private—						
Bengal	9,45,237	13,07,497	20,39,571	1,41,07,402	1,71,43,380	80,27,072
Bombay	1,01,30,351	4,48,77,330	4,79,61,620	12,98,30,600	2,58,03,643	1,68,31,572
Sind	34,45,895	17,68,825	7,85,859	73,23,742	10,54,568	,, 7,28,093
Madras	50,00,987	39,55,880	37,45,414	37,71,606	18,79,612	,, 25,15,969
Burma	35,309	6,216	3,626	33,621	..	..
Total ..	1,95,57,779	5,19,15,748	5,45,36,090	15,50,66,971	458,81,203	2,81,02,706
Do. Government ..	57,436	1,417	1,99,52,479	23,023	12,43,565	4,321,858
Total Treasure ..	1,96,15,215	5,19,17,165	7,44,88,569	15,50,89,994	4,71,24,768	3,24,24,564
Grand Total of Imports.	1,19,26,60,637	1,39,77,42,223	1,44,21,25,514	1,43,23,03,245	1,81,93,52,757	1,58,76,56,079

EXPORTS—						
Merchandise, Private.						
Foreign Goods.						
Bengal	35,17,540	34,13,645	35,21,162	47,30,966	91,93,631	92,23,007
Bombay	2,15,58,254	2,38,04,885	2,66,94,310	4,85,56,608	6,58,06,152	4,62,29,839
Sind	64,92,807	57,12,182	53,84,438	72,33,541	59,20,671	70,31,513
Madras	17,12,558	16,57,077	11,02,206	10,59,815	18,92,487	17,28,622
Burma	8,92,410	8,68,927	9,52,646	8,26,406	....	....
Total ..	3,41,73,569	3,54,56,716	3,76,54,762	6,24,07,336	8,28,12,941	6,42,12,981
Indian Produce and Manufactures—						
Bengal	63,34,08,102	62,38,14,283	66,04,45,054	74,90,28,078	86,16,63,937	77,97,65,581
Bihar and Orissa..	....	....	....	17,742	29,782	17,964
Bombay	28,34,58,065	31,02,08,498	30,44,82,183	39,54,56,673	33,31,76,224	31,59,44,999
Sind	13,57,66,955	15,84,76,647	17,26,88,134	24,43,66,326	23,30,54,890	17,71,68,506
Madras	24,64,20,592	25,09,04,809	26,80,25,171	36,13,75,647	38,13,17,388	35,48,39,833
Burma	17,34,53,106	17,32,93,260	19,95,96,452	21,10,01,820	....	....
Total ..	1,47,25,06,820	1,51,66,97,497	1,60,52,36,994	1,96,12,46 286	1,80,92,42,221	1,62,77,36,883

* Exclusive of Burma due to separation.

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports in the Official Years 1932-33 *to* 1937-38—(continued).

	1933-34.	1934-35.	1935-36.	1936-37.	1937-38*.	1938-39*.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Total Foreign and Indian Merchandise Exported, Private.—						
Bengal	63,69,25,642	62,72,27,928	66,39,66,216	75,37,59,044	87,08,57,568	78,89,88,588
Bihar and Orissa	....	....	....	17,742	29,782	17,964
Bombay	30,50,16,319	33,40,13,383	33,11,76,493	44,40,13,281	39,89,82,376	36,21,74,838
Sind	14,22,59,762	16,41,88,829	17,80,72,572	25,15,99,867	23,89,75,561	18,42,00,019
Madras	24,81,33,150	25,25,61,886	26,91,27,377	36,24,35,462	38,32,09,875	35,65,68,455
Burma	17,43,45,516	17,41,62,187	20,05,49,098	21,18,28,226	....	....
Total ..	1,50,66,80,389	1,55,21,54,213	1,64,28,91,756	2,02,36,53,622	1,89,20,55,162	1,69,19,49,864
Do. Government Stores ..	50,34,820	28,17,431	30,76,228	12,41,397	55,84,000	61,59,910
Total Merchandise ..	1,51,17,15,209	1,55,49,71,644	1,64,59,67,984	2,02,48,95,019	1,89,76,39,162	1,69,81,09,774
Treasure, Private—						
Bengal	83,61,638	1,85,50,737	5,77,109	19,37,699	3,57,134	170
Bombay	53,72,81,386	53,52,48,774	40,56,43,942	29,27,16,728	18,41,76,888	12,19,19,084
Sind	12,83,600	10,14,982	3,02,965	3,88,675	18,83,384	1,94,28,602
Madras	3,82,40,286	1,45,91,852	37,52,996	26,49,946	30,72,989	55,20,009
Burma	67,31,543	78,55,855	79,86,197	23,47,266	....	....
Total ..	59,18,98,453	57,72,62,200	41,82,63,209	30,00,40,314	18,94,90,395	14,68,67,865
Do. Government	6,37,65,455	5,77,83,939	3,84,24,938	20,00,000	81,79,862	52,70,034
Total Treasure ..	65,56,63,908	63,50,46,139	45,66,88,147	30,20,40,314	19,76,70,257	15,21,37,899
Grand Total of Exports ..	2,16,73,79,117	2,19,00,17,783	2,10,26,56,131	2,32,69,35,333	2,09,53,09,419	1,85,02,47,673

* Exclusive of Burma due to separation.

Value of the Imports of Gold and Silver Coin and Bullion into British India by Sea during the year ending 31st December 1939.

Countries.	Gold.			Silver.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	14,98,281	....	14,98,281	1,98,55,953	....	198,55,953
Netherlands	1,54,746	....	1,54,746	....	....	....
France	....	....	....	37,619	....	37,619
Iraq	8,22,706	....	8,22,706	4,10,926	....	4,10,926
Arabia	17,53,998	....	17,53,998	12,88,294	....	12,88,294
Aden and Dependencies	12,46,829	....	12,46,829	2,02,148	1,997	2,04,145
Iran	....	....	....	28,960	....	28,960
Bahrein Islands	9,03,102	....	9,03,102	3,08,359	....	3,08,359
Egypt	72,000	....	72,000	....	....	....
China (Hongkong)	....	....	....	100	....	100
Straits Settlements	78	....	78	45,000	....	45,000
Burma	60,74,822	....	60,74,822	68,91,070	37,44,425	1,06,35,495
Australia and New Zealand	....	....	....	64,98,272	....	64,98,272
Ceylon	12,19,339	....	12,19,339	4,535	....	4,535
Mauritius and Dependencies (including Seychelles)	12,252	....	12,252	462	....	462
United States of America	....	....	....	9,57,027	....	9,57,027
Anglo-Egyptian Sudan	....	....	....	6,118	....	6,118
Total ..	1,37,58,153	....	1,37,58,153	3,65,34,843	37,46,422	4,02,81,265

Value of the Exports of Gold and Silver Coin and Bullion from British India by Sea during the year ending 31st December 1939.

Countries.	Gold.			Silver.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	3,92,95,260	....	3,92,95,260	39,673	2,21,35,712	2,21,75,385
Arabia	1,18,081	....	1,18,081	91,200	....	91,200
Bahrein Islands	....	....	....	11,00,000	....	11,00,000
Africa, East	3,09,442	...	3,09,442	12,000	....	12,000
Anglo-Egyptian Soudan	....	....	....	8,052	....	8,052
New Zealand	5,798	....	5,798	....	....	....
Ceylon	13,884	....	13,884	345	....	345
Canada	....	4,02,44,045	4,02,44,045	....	....	....
United States of America	17,18,03,945	....	17,18,03,945	....	....	....
Burma	....	....	....	....	1,81,55,000	1,81,55,000
"For orders" Cargoes— United Kingdom	1,90,36,587	....	1,90,36,587	....	....	....
Total ..	23,05,82,997	4,02,44,045	27,08,27,042	12,51,270	4,02,90,712	4,15,41,982

Total Imports of Treasure on Private Account from Foreign Countries and Indian Ports into Bombay by Sea from 1st January to 31st December 1939.

From	Gold.			Silver.			
	Bullion.	Sovereigns and Half Sovereigns.	Other Coin.	Bullion.	Dollars.	Government of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom—							
London, Liverpool, etc. ..	2,18,846	11,60,620	....	1,78,75,154	....	3,588	494
Continent of Europe	1,54,746	....	....	37,619	....	....	....
America	....	....	....	9,57,028	....	....	....
Australia	....	....	....	49,85,105	....	....	....
Aden	89,659	9,68,554	....	2,148	....	2,00,000	....
Egypt	....	....	....	6,118	....	....	....
Iran	....	....	....	....	....	....	....
Iraq	1,61,791	3,74,987	7,025	5,291	24,079	39,502	3,25,711
Arabia and Red Sea Ports ..	5,12,862	19,74,792	11,400	49,895	3,42,113	6,25,770	2,99,200
African Ports	....	....	....	....	....	....	....
Colombo	20,820	....	....	....	....	....	....
Burmah	....	....	....	2,03,222	....	....	....
Mauritius	11,656	....	....	....	....	469	....
All Indian Ports	....	....	....	73,478	1,50,970	45,680	35,848
Total ..	11,70,380	44,78,953	18,425	2,41,95,058	5,17,162	9,15,009	6,61,253

Total Exports of Treasure on Private Account to Foreign Countries and Indian Ports from Bombay by Sea from 1st January to 31st December 1939.

To	Gold.			Silver.			
	Bullion.	Sovereigns and Half-Sovereigns.	Other Coin.	Bullion.	Dollars.	Government of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
London, Liverpool, Plymouth, etc..	3,79,63,118	2,89,856	....	39,673	....	....	....
London, New York, Paris or Amsterdam	1,97,78,578	....	....	....	....	....	....
Continent of Europe	....	....	....	....	....	....	....
America	16,84,87,541	3,88,942	....	....	....	....	....
Egypt	....	....	....	7,995	....	....	....
Australia	....	5,798	....	....	....	....	....
Hongkong	....	....	....	....	....	....	....
Straits Settlements	....	....	....	....	....	....	....
African Ports	3,01,699	26,263	....	....	....	12,000	....
Arabia Red Sea Ports	....	1,16,748	....	....	....	11,38,000	....
Sourabaya	....	....	....	....	....	....	....
Colombo	....	13,884	....	....	....	....	....
All Indian Ports	....	.....	....	13,04,767	....	....	....
Total ..	22,65,30,936	8,41,491	....	13,52,435	....	11,50,000	....

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the Calendar Years 1892 to 1939.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1892	954,243	53,275	3,805,823	1,758,459	1,227,560	9,374,762	620,133
1893	857,771	49,538	4,319,264	4,275,862	1,510,317	5,043,690	563,053
1894	797,070	54,678	5,389,941	3,306,108	1,126,418	1,561,048	1,076,482
1895	624,465	61,586	2,639,749	1,829,827	1,379,335	2,522,933	775,582
1896	772,258	58,520	3,214,613	1,495,463	1,186,842	1,429,572	839,314
1897	511,899	51,710	775,838	1,874,663	831,398	5,343	555,081
1898	490,544	51,653	2,729,122	2,287,393	1,847,419	5,781,881	635,732
1899	500,232	53,272	2,136,142	1,967,680	1,613,679	2,852,863	752,343
1900	232,425	40,641	811,128	1,050,052	1,613,135	608	878,740
1901	560,434	33,091	1,754,701	2,586,544	1,704,817	38,619	728,055
1902	577,929	39,793	2,017,704	2,742,283	1,881,426	211,397	1,079,241
1903	958,199	49,332	2,957,635	2,614,181	3,063,821	2,783,625	748,137
1904	926,295	58,319	3,808,789	2,182,881	2,266,118	5,302,304	958,886
1905	667,323	63,666	3,485,956	728,041	1,420,503	4,205,315	621,298
1906	989,693	59,101	1,889,089	829,438	1,578,931	485,747	779,584
1907	1,126,376	54,390	2,333,472	2,026,544	2,235,206	552,660	848,293
1908	659,822	47,344	1,046,806	802,923	1,018,619	12,740	1,304,388
1909	672,247	69,121	1,843,403	1,273,005	1,620,631	2,177,644	76,757
1910	1,153,233	68,059	2,546,238	2,137,828	2,864,185	1,673,016	917,208
1911	776,417	62,721	4,905,089	1,383,053	2,016,231	3,326,327	662,892
1912	436,208	64,072	3,579,356	1,069,916	1,012,554	3,805,556	652,080
1913	736,262	63,244	3,713,812	1,042,510	1,695,000	4,997,989	549,483
1914	1,113,016	54,555	2,622,097	678,060	1,280,036	109,323	755,687

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the Calendar Years 1892 *to* 1939—continued.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1915	403,322	82,456	1,603,837	543,494	150,068	1,593,092	601,144
1916	293,876	77,109	5,410,560	451,732	1,130,405	545,656	422,965
1917	358,378	84,151	2,630,619	321,811	639,091	4,636,634	408,692
1918	190,529	109,850	2,474,109	73,181	3,552	1,487,714	300,061
1919	337,043	63,938	2,689,540	396,514	331,022	126,416	538,022
1920	649,736	42,920	1,511,233	729,716	678,059	....	346,812
1921	503,215	36,931	524,442	165,908	264,842	....	419,329
1922	628,674	75,326	2,307,369	464,045	610,412	1,000	525,031
1923	980,710	51,784	3,043,144	786,356	156,675	419,046	389,198
Exports of Cotton Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay, by Sea to all Foreign Countries during the Years 1924 *to* 1939.							
1924	2,520,053	75,992	2,990,141	881,200	468,157	547,085	888,994
1925	2,820,629	66,329	3,524,849	531,136	812,900	1,187,532	605,257
1926	2,257,802	46,347	1,585,096	77,894	72,752	138,592	719,078
1927	2,052,225	57,996	1,641,559	52,861	80,010	32,880	883,259
1928	2,563,221	71,769	1,828,077	189,435	471,740	68,162	641,162
1929	2,678,328	83,264	1,576,531	39,838	415,725	47,553	729,169
1930 .. .. †	2,755,604	41,532	2,110,422	13,354	19,708	32,857	732,974
1931	2,194,682	49,201	926,552	18,155	83,802	71,035	644,706
1932	924,302	33,474	491,481	39,023	248,126	26,236	592,374
1933	1,545,511	57,388	3,298,611	49,677	305,965	25,937	709,041
1934	1,713,319	41,329	3,229,879	69,178*	143,941	24,865	617,732
1935	1,633,888	48,036	1,222,517	43,854*	11,230	30,088	702,840
1936	2,153,096	34,789	3,329,916	52,145*	85,023	46,884	655,634
1937	1,779,985	38,033	2,086,453	53,742*	250,228	50,131	623,774
1938	1,535,838	33,350	3,334,933	46,674*	83,175	40,738	549,023
1939	1,619,859	51,477	2,593,561	42,988*	45,114	45,962	770,253

* Inclusive of Mustard Seed. † Includes Cotton exported to Calcutta and Coast Ports.

STATEMENT showing the Exports from Bombay by Sea of Indian Manufactured Cotton Piecegoods and Yarns since 1908.

Year ending 31st Dec.	Grey and White Piecegoods.			Coloured Piecegoods.		Total Piecegoods.			Yarns.	
	Pack-ages.	Yards.	Lbs.	Pack-ages.	Yards.	Pack-ages.	Yards.	Lbs.*	Bales.	Lbs.
1908	120,300	215,698,687	60,862,003	30,997	50,792,342	151,297	266,491,029	66,622,757	598,621	234,484,640
1909	141,920	252,992,500	70,093,139	39,326	66,751,717	181,246	319,744,217	79,936,054	636,329	252,460,745
1910	136,972	250,489,940	68,312,314	45,333	75,673,845	182,305	326,163,785	81,540,946	565,999	223,758,970
1911	122,601	224,438,698	63,524,949	54,000	89,411,376	176,601	313,850,074	78,462,518	403,214	158,582,640
1912	126,681	231,976,527	66,009,051	64,169	107,289,928	190,850	339,266,455	84,816,614	579,281	228,759,617
1913	97,005	177,239,570	50,527,978	55,071	92,467,657	152,076	269,707,227	67,426,807	518,230	205,207,962
1914	91,837	169,515,937	49,361,518	42,084	72,602,270	133,921	242,118,207	60,529,552	437,159	173,172,953
1915	108,956	199,968,079	58,350,926	61,045	103,038,333	170,001	303,006,412	75,751,603	471,395	186,585,698
1916	175,923	248,326,445	70,956,464	82,818	139,616,532	258,741	387,942,977	96,985,744	410,972	162,627,300
1917	111,845	176,934,869	46,119,953	86,909	148,290,803	198,754	325,225,672	81,306,418	373,187	147,167,250
1918	94,071	153,463,774	40,025,958	71,424	126,063,308	165,495	279,527,082	69,881,770	193,275	75,599,059
1919	132,112	219,343,388	56,536,165	116,313	202,286,577	248,425	421,629,965	105,407,491	372,212	146,832,081
1920	149,552	241,230,910	61,482,863	157,042	120,332,112	306,594	361,563,022	90,390,755	288,778	113,351,962
1921	120,739	212,563,435	53,577,720	99,518	159,572,347	220,257	372,135,782	93,033,945	314,330	124,310,163
1922	138,769	254,292,354	65,928,239	100,581	176,411,422	239,350	430,703,776	107,675,944	267,711	105,122,885
1923	173,381	304,497,408	69,452,982	110,243	180,990,710	283,624	485,488,118	121,372,029	215,036	83,657,151
1924	177,950	320,087,971	75,657,413	103,999	169,055,231	281,949	489,143,202	122,285,800	175,175	67,861,329
1925	133,458	233,217,232	55,688,235	96,447	158,069,128	229,905	391,286,360	97,821,590	176,210	67,892,155
1926	119,331	210,752,239	50,243,116	112,795	180,075,412	232,126	390,827,651	97,706,912	175,869	67,786,883
1927	130,963	229,773,883	55,215,566	118,474	196,438,974	249,437	426,212,857	106,553,214	156,999	60,555,498
1928	100,699	177,282,508	34,777,044	97,936	157,677,505	198,635	334,960,013	83,740,003	102,954	40,816,700
1929	106,748	193,179,168	38,635,833	82,351	147,586,666	189,099	340,765,834	85,191,458	125,577	54,361,428
1930	136,281	241,220,836	48,964,399	75,555	122,465,715	211,836	363,686,551	90,921,637	126,006	50,490,540
1931	192,578	342,654,885	68,686,328	80,346	127,129,785	272,924	469,784,670	117,446,167	142,236	65,666,253
1932	294,483	794,303,908	106,795,020	72,177	108,236,606	366,660	902,540,514	225,635,128	122,156	46,294,310
1933	209,259	390,535,659	78,065,873	58,052	87,899,698	267,311	478,435,357	119,608,839	112,059	43,557,629
1934	229,024	414,324,303	86,762,142	65,728	94,046,841	294,752	508,371,144	127,092,786	94,853	37,126,195
1935	216,300	383,877,416	76,775,483	55,416	81,771,947	271,716	465,649,363	116,412,340	88,088	34,626,637
1936	243,834	442,916,172	88,583,234	58,167	84,883,124	302,001	527,799,296	131,949,824	80,995	31,337,340
1937	263,665	406,706,851	81,341,332	98,229	105,542,821	361,894	512,249,672	128,062,418	99,726	33,158,260
1938	222,819	497,943,219	99,588,644	68,733	90,598,779	291,552	588,541,998	147,135,499	133,719	53,845,533
1939	214,894	402,959,694	80,591,939	74,921	89,945,061	289,815	492,904,755	123,226,189	101,524	39,757,666

* The weights have been arrived at by dividing the length in yards by 4.00, the average weight of the Grey and Bleached Cloth.

Exports of Indian Manufactured Cotton Yarns by Sea and Rail from Bombay (Converted into Bales of 400 lbs. each) since 1908.

1st January to 31st December	To China.	To Japan.	Total to China and Japan.	Total to other Ports.	Total Exports by Sea.	Total Exports by Rail.*	Total Exports by Sea and Rail.
1908	441,899	....	441,899	144,312	586,211	18,334	604,545
1909	510,746	....	510,746	120,406	631,152	19,302	650,454
1910	424,893	....	424,893	130,506	555,399	19,103	574,502
1911	275,087	....	275,087	121,369	396,456	18,927	415,383
1912	433,989	....	433,989	137,910	571,899	13,400	585,299
1913	405,359	....	405,359	107,661	513,020	15,011	528,031
1914	324,586	....	324,586	108,346	432,932	30,957	463,889
1915	358,777	....	358,777	107,687	466,464	44,192	510,656
1916	303,692	....	303,692	102,876	406,568	37,846	444,414
1917	286,365	107	286,472	81,446	367,918	48,203	416,121
1918	108,568	....	108,568	80,429	188,997	87,115	276,112
1919	270,058	389	270,447	96,633	367,080	47,980	415,060
1920	175,688	....	175,688	107,692	283,380	119,436	402,816
1921	152,911	10	152,921	157,854	310,775	153,575	464,350
1922	118,970	....	118,970	143,837	262,807	167,543	430,350
1923	58,241	....	58,241	150,901	209,142	166,491	375,633
1924	31,161	....	31,161	138,493	169,654	123,461	293,115
1925	28,623	10	28,633	141,097	169,730	143,174	312,904
1926	44,152	36	44,188	125,279	169,467	†	....
1927	2,753	67	2,820	148,568	151,388	†	....
1928	3,660	....	3,660	98,381	102,041	†	....
1929	3,169	....	3,169	132,734	135,903	†	....
1930	1,831	....	1,831	124,395	126,226	†	....
1931	213	....	213	142,023	142,236	†	....
1932	....	....	....	115,736	115,736	†	....
1933	....	....	....	108,894	108,894	†	....
1934	....	....	....	92,812	92,812	†	....
1935	....	....	....	86,567	86,567	†	....
1936	....	....	....	78,343	78,343	†	....
1937	6,595	50	6,645	76,250	82,895	†	....
1938	21,694	....	21,694	112,919	134,613	†	....
1939	9,267	....	9,267	90,127	99,394	†	....

* Compiled from Returns received from the Railway Companies.

† Figures not available.

Foreign Countries to which Cotton Grey Piecegoods of Indian manufacture have been exported from Bombay by Sea since 1934-35.

(*Year ending* 31*st March.*)

To	In lakhs of yards (000's omitted).				
	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
United Kingdom	.03	1.13	.04	.03	..
Aden and Dependencies ..	4.22	4.93	2.77	2.27	2.98
Gold Coast	..	..	.34	4.69	6.77
Ceylon	4.35	2.92	1.75	1.08	2.90
Straits Settlements including Labuan	1.89	5.86	10.57	25.30	34.76
British West India Islands ..	..	..	..	11.86	4.16
Federated Malay States ..	.64	.12	.59	2.22	5.37
Cyprus	3.08	9.91	10.62	9.07	12.03
Burmah	..	..	..	460.72	421.18
Zanzibar and Pemba ..	1.18	.29	.09	.26	.28
Kenya Colony	3.26	2.39	3.60	5.93	7.10
Nigeria	.62	1.68	5.48	67.38	49.04
Tanganyika Territory ..	4.61	5.20	9.11	17.59	8.72
Somaliland Protectorate ..	.11	.59	5.90	1.64	2.80
Anglo-Egyptian Sudan ..	1.64	1.01	1.72	2.38	.27
Mauritius and Dependencies..	12.36	23.56	19.37	21.96	28.46
Seychelles	.86	.36	1.96	.89	1.86
Commonwealth of Australia..	.39	.03	.40	4.46	3.92
Fiji Islands	.14	.06	1.05	2.84	2.80
Hongkong	..	..	..	2.07	4.83
Union of South Africa ..	.13	..	.17	1.55	1.09
Other British Possessions ..	.49	1.11	1.42	5.39	3.31
Syria	..	..	.80	.20	..
Muscat Territory and Trucial Oman	.35	.62	.32	.87	1.14
Sumatra and Java	..	..	..	14.21	7.28
Other Native States in Arabia.	.55	.44	.42	.09	.08
Iraq	.67	.52	.23	5.99	1.45
Thailand	.01	.01	..	.67	5.32
Egypt	..	3.01	124.01	148.82	14.13
Portuguese East Africa ..	16.89	20.84	25.92	19.59	13.49
Guatemala	..	..	2.17	5.99	.92
Other Foreign Countries ..	2.97	1.01	.37	2.53	1.93
Total Grey Piecegoods ..	61.44	87.60	231.19	850.54	650.37
Value in lakhs of Rupees..	13.93	17.84	40.60	176.00	119.51

Foreign Countries to which Indian Cotton Yarn have been exported from Bombay by Sea since 1934-35.
(*Year ending* 31*st March.*)

To	In lakhs of lbs. (000's omitted.)				
	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
United Kingdom	2.36	1.82	1.50	2.94	1.62
Malta and Gozo	.11	.20	.18	.26	.17
Cyprus	2.37	2.55	2.86	2.37	5.50
Aden and Dependencies	14.74	15.19	11.49	16.10	10.17
Bahrein Islands	1.16	1.34	1.90	1.44	1.93
Palestine	3.76	3.88	2.71	2.18	2.71
Ceylon	.29	.11	.24	.97	.16
Burmah	..	..	..	36.48	60.26
Straits Settlements including Labuan	6.98	12.68	13.87	34.38	46.35
Hongkong	..	..	1.73	49.83	66.59
Tanganyika Territory	.23	.33	.37	.34	.39
Anglo-Egyptian Sudan	.22	.18	.45	.99	.07
Zanzibar and Pemba	.55	.56	.66	.94	.69
Kenya Colony	.89	1.21	1.15	1.57	1.40
Australasia	.18	..	..	..	..
Other British Possessions	.11	.09	.02	.39	.44
Belgium	..	.24	6.57	5.85	.47
Germany	.93	..	..	..	..
Italy	.10	.12	..	..	.27
Greece	.71	1.55	1.74	.79	.54
Georgia	..	.14	..	..	..
Lithuania	..	.26	..	.24	..
Bulgaria	1.36	.10	2.50	2.69	..
Rumania	.62	1.73	1.20	1.11	..
Yugoslavia	..	..	.74	..	.02
Tripoli	..	..	..	.20	..
Egypt	.29	3.04	4.18	7.13	.36
Syria	36.07	24.46	35.60	30.22	33.60
Smyrna	..	.95	..	..	..
Turkey, European	.12	..	1.16	33.26	.42
Turkey, Asiatic	5.35	..	.80	13.32	1.88
Muscat Territory and Trucial Oman	1.13	1.39	1.27	2.46	1.96
Other Native States in Arabia	1.17	..	1.69	2.10	2.41
Iraq	7.40	8.48	10.23	10.86	11.39
Persia	15.36	.08	..	.14	.01
Thailand	6.57	5.31	2.90	12.70	9.59
Java	..	..	.78	2.34	.10
China excluding Hongkong	1.02	..	..	..	..
Japan	..	..	.20	..	..
Philippines	..	.18	..	3.00	12.39
Portuguese East Africa	..	..	.01	.14	..
Italian East Africa	.53	.64	..	..	..
French Somaliland	9.41	2.80	.81	..	.02
Guatemala	..	..	.18	.46	.50
U. S. of America *via* Atlantic Coast	..	..	.08	.32	..
Other Foreign Countries	.04	..	.18	.42	.49
Total Yarns	120.13	91.61	111.95	280.93	274.87
Value in lakhs of Rupees	58.80	44.21	53.61	135.53	134.41

SHIPPING—

Number and Tonnage of Vessels, distinguishing Sailing and from and to Foreign Countries at Ports in British

ENTER

YEAR.	With Cargoes.						In	
	Sailing.		Steam.		Total.		Sailing.	
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1927-1928 ..	564	51,794	2,571	7,598,539	3,135	7,650,333	405	38,459
1928-1929 ..	491	43,303	2,718	8,187,016	3,209	8,230,319	420	39,941
1929-1930 ..	538	47,775	2,721	8,327,048	3,259	8,374,823	293	28,862
1930-1931 ..	492	41,665	2,538	7,858,281	3,030	7,899,946	338	33,838
1931-1932 ..	522	42,853	2,328	7,337,802	2,850	7,380,655	313	30,232
1932-1933 ..	509	40,005	2,124	6,909,371	2,633	6,949,376	314	30,683
1933-1934 ..	415	33,108	2,219	7,320,543	2,634	7,353,651	354	28,543
1934-1935 ..	483	38,433	2,399	7,901,184	2,882	7,939,617	453	38,890
1935-1936 ..	457	38,112	2,456	8,264,163	2,913	8,302,275	369	33,548
1936-1937 ..	489	41,414	2,441	8,147,557	2,930	8,188,974	389	32,707
*1937-1938 ..	583	44,324	2,678	8,995,770	3,261	9,040,094	405	28145
*1938-1939 ..	669	49,676	2,734	9,385,141	3,403	9,434,817	†	†

CLEAR

1927-1928 ..	992	96,946	2,667	7,828,456	3,659	7,925,402	24	2,590
1928-1929 ..	963	91,108	2,804	8,367,598	3,767	8,458,706	30	3,540
1929-1930 ..	873	82,070	2,889	8,778,665	3,762	8,860,735	23	1,462
1930-1931 ..	920	86,604	2,525	7,829,064	3,445	7,915,668	53	3,686
1931-1932 ..	843	76,101	2,339	7,484,153	3,182	7,560,254	47	4,381
1932-1933 ..	858	76,109	2,216	7,206,561	3,074	7,282,670	48	3,987
1933-1934 ..	800	69,207	2,334	7,647,628	3,134	7,716,835	48	2,598
1934-1935 ..	964	77,717	2,497	8,149,328	3,461	8,227,045	29	2,313
1935-1936 ..	891	77,495	2,477	8,170,185	3,368	8,247,680	43	3,606
1936-1937 ..	932	81,072	2,646	8,651,931	3,578	8,733,003	42	3,693
*1937-1938 ..	1,036	76,248	2,870	9,424,731	3,906	9,500,979	99	7,488
*1938-1939 ..	1186	83,254	2,851	9,573,620	4,037	9,656,874	†	†

† Details not
* Exclusive of Burma

FOREIGN TRADE.

Steam, which Entered and Cleared with Cargoes and in Ballast, India in each Official Year from 1927-28 *to* 1938-39.

ED.

Ballast.				Total.				Total.	
Steam.		Total.		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing and Steam Vessels.	Net Tons.
378	1,188,048	783	1,226,507	969	90,253	2,949	8,786,587	3,918	8,876,840
417	1,247,053	837	1,286,994	911	83,244	3,135	9,434,069	4,046	9,517,313
421	1,246,301	714	1,275,163	831	76,637	3,142	9,573,349	3,973	9,649,986
340	1,077,756	678	1,111,594	830	75,503	2,878	8,936,037	3,708	9,011,540
292	959,696	605	989,928	835	73,085	2,620	8,297,498	3,455	8,370,583
294	922,723	608	943,406	823	70,688	2,418	7,832,094	3,241	7,902,782
327	1,081,793	681	1,110,336	769	61,651	2,546	8,402,336	3,315	8,463,987
285	920,567	738	959,457	936	77,323	2,684	8,821,751	3,620	8,899,074
286	942,228	655	975,776	826	71,660	2,742	9,206,391	3,568	9,278,051
355	1,211,421	744	1,244,128	878	74,121	2,796	9,358,978	3,674	9,433,099
500	1,656,865	905	1,685,010	988	72,469	3,178	10,652,635	4,166	10,725,104
†	†	†	†	†	†	†	†	4,251	11,090,000

ED.

233	773,769	257	776,359	1,016	99,536	2,900	8,602,225	3,916	8,701,761
277	892,628	307	896,138	993	94,618	3,081	9,260,226	4,074	9,354,844
248	876,507	271	877,969	896	83,532	3,137	9,655,172	4,033	9,738,704
255	871,331	308	875,017	973	90,290	2,786	8,700,395	3,753	8,790,685
173	623,075	220	627,456	890	80,482	2,512	8,107,228	3,402	8,187,710
152	518,093	200	522,080	906	80,096	2,368	7,724,654	3,274	7,804,750
120	446,313	168	448,911	848	71,805	2,454	8,093,941	3,302	8,165,746
150	487,539	179	489,852	993	80,030	2,647	8,636,867	3,640	8,716,897
220	789,994	263	793,600	934	81,101	2,697	8,960,179	3,631	9,041,280
190	738,092	241	741,785	974	84,765	2,836	9,390,023	3,810	9,474,788
354	1,370,252	453	1,377,940	1,135	83,736	3,224	10,794,983	4,359	10,878,719
†	†	†	†	†	†	†	†	4,488	11,010,000

† available.
‡ due to separation.

SHIPPING—

Number and Tonnage of Vessels, distinguishing Sailing and Steam, Foreign Countries at the Chief Port of the Bombay

ENTER

YEAR	With Cargoes.						In Sailing.	
	Sailing.		Steam.		Total.			
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1927-1928 ..	140	15,411	640	2,465,823	780	2,481,234	..	..
1928-1929 ..	123	13,381	615	2,500,473	738	2,513,854	..	..
1929-1930 ..	120	12,527	645	2,728,985	765	2,741,512	..	..
1930-1931 ..	105	10,134	601	2,578,353	706	2,588,487	..	..
1931-1932 ..	96	10,303	539	2,530,376	635	2,540,679	..	..
1932-1933 ..	102	10,587	565	2,916,674	667	2,927,261	..	..
1933-1934 ..	94	9,679	573	3,051,270	667	3,060,949	1	124
1934-1935 ..	93	10,030	572	3,035,688	665	3,045,718	..	..
1935-1936 ..	79	8,905	591	3,058,539	670	3,067,444	1	75
1936-1937 ..	83	8,535	568	2,982,625	651	2,991,160	2	158
1937-1938 ..	81	8,136	594	32,03,804	675	3,211,940	..	..
1938-1939 ..	70	6,673	584	3,256,594	654	3,263,267	..	..

CLEAR

1927-1928 ..	101	11,383	422	1,688,802	523	1,700,185	..	..
1928-1929 ..	80	8,027	449	1,956,501	529	1,964,528	1	250
1929-1930 ..	84	8,185	474	2,086,533	558	2,094,718	1	56
1930-1931 ..	77	7,561	433	1,983,856	510	1,991,417	3	323
1931-1932 ..	69	6,552	429	2,183,882	498	2,190,434	1	56
1932-1933 ..	81	7,858	470	2,627,271	551	2,635,129	3	277
1933-1934 ..	94	9,903	478	2,684,730	572	2,694,633	7	558
1934-1935 ..	87	9,038	464	2,703,615	551	2,712,653	1	49
1935-1936 ..	101	9,837	444	2,566,995	545	2,576,832	..	..
1936-1937 ..	82	7,900	438	2,483,445	520	2,491,345	1	148
1937-1938 ..	75	7,272	432	2,499,844	507	2,607,116	1	48
1938-1939 ..	72	6,274	402	2,444,250	474	2,450,521	..	..

FOREIGN TRADE.

which Entered and Cleared with Cargoes and in Ballast, from and to Presidency in each Official Year from 1927-28 *to* 1938-39.

ED.

Ballast.				Total.				Grand Total.	
Steam.		Total.		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing and Steam Vessels.	Net Tons
38	117,289	38	117,289	140	15,411	678	2,583,112	818	2,598,523
45	171,240	45	171,240	123	13,381	660	2,671,713	783	2,685,094
30	97,629	30	97,629	120	12,527	675	2,826,614	795	2,839,141
29	135,797	29	135,797	105	10,134	630	2,714,150	735	2,724,284
23	106,963	23	106,963	96	10,303	562	2,637,339	658	2,647,642
18	60,723	18	60,723	102	10,587	583	2,977,397	685	2,987,984
44	143,214	45	143,338	95	9,803	617	3,194,484	712	3,204,287
24	76,943	24	76,943	93	10,030	596	3,112,631	689	3,122,661
24	88,476	25	88,551	80	8,980	615	3,147,015	695	3,155,995
45	167,572	47	167,730	85	8,693	613	3,150,197	698	3,158,890
49	168,444	49	168,444	81	8,136	643	3,372,248	724	3,380,384
48	175,420	48	175,420	70	6,073	632	3,432,014	702	3,438,687
ED.									
61	240,467	61	240,467	101	11,383	483	1,929,269	584	1,940,652
70	253,734	71	253,984	81	8,277	519	2,210,235	600	2,218,512
72	277,934	73	277,990	85	8,241	546	2,364,467	631	2,372,708
65	244,762	68	248,085	80	7,884	498	2,231,618	578	2,239,502
54	215,836	55	215,892	70	6,608	483	2,399,718	553	2,406,326
60	222,535	63	222,812	84	8,135	530	2,849,806	614	2,857,941
47	199,275	54	199,833	101	10,461	525	2,884,005	626	2,894,466
41	125,192	42	125,241	88	9,087	505	2,828,807	593	2,837,894
78	320,199	78	320,199	101	9,837	522	2,887,194	623	2,897,031
71	349,048	78	349,196	83	8,048	515	2,832,493	598	2,840,541
158	727,014	159	727,062	76	7,320	590	3,226,858	666	3,234,178
156	739,983	156	739,983	72	6,271	558	3,184,233	630	3,190,504

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Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1939.

QUOTATIONS.	Week ending 6th January 1939.	Week ending 13th January 1939.	Week ending 20th January 1939.	Week ending 27th January 1939.	Week ending 3rd February 1939.	Week ending 10th February 1939.	Week ending 16th February 1939.	Week ending 24th February 1939.	Week ending 3rd March 1939.	Week ending 10th March 1939.	Week ending 17th March 1939.	Week ending 24th March 1939.	Week ending 31st March 1939.	Week ending 6th April 1939.	Week ending 14th April 1939.	Week ending 21st April 1939.	Week ending 28th April 1939.	Week ending 5th May 1939.	Week ending 12th May 1939.	Week ending 19th May 1939.	Week ending 26th May 1939.	Week ending 2nd June 1939.	Week ending 9th June 1939.	Week ending 16th June 1939.
EXCHANGE.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
On England Bank Bills. Telegraphic Transfer	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 15/16d.	1s. 5 15/16d.	1s. 5 15/16d.	1s. 5 15/16d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 27/32d.	1s. 5 27/32d.	1s. 5 27/32d.	1s. 5 7/8d.	1s. 5 7/8d.
On England Bank Bills. Sight	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 15/16d.	1s. 5 15/16d.	1s. 5 15/16d.	1s. 5 15/16d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 27/32d.	1s. 5 27/32d.	1s. 5 27/32d.	1s. 5 7/8d.	1s. 5 7/8d.
On England Bank Bills. 3 months'	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
On England Bank Bills. 4 "	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
On England Bank Bills. 6 "	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
First Class Credits 3 months' Sight	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/16d.	1s. 6 3/32d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 6d.	1s. 6d.
First Class Credits 4 "	1s. 6 1/8d.	1s. 6 1/32d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/16d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6d.	1s. 6d.	1s. 6d.	1s. 6 1/32d.	1s. 6 1/32d.
First Class Credits 6 "	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 3/32d.	1s. 6 3/16d.	1s. 6 3/32d.	1s. 6 5/32d.	1s. 6 5/32d.	1s. 6 5/32d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 1/8d.	1s. 6 1/8d.
French Francs, D/A Sight	1336	1330	1330	1330	1329	1330	1330	1330	1329	1330	1330	1330	1329	1330	1329	1330	1331	1332	1332	1330	1329	1329	1330	1331
" " 3 months' "	1365	1345	1355	1345	1350	1345	1350	1345	1345	1345	1345	1345	1345	1345	1343	1345	1351	1352	1345	1348	1343	1342	1344	1345
On Calcutta Bank Telegraphic Transfer	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Mercantile Bills 60 days' Sight (Japan per 100 Yens)	76 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	76 12 0	76 14 0	76 14 0	76 14 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 2 0	77 2 0	77 2 0	77 0 0	77 0 0
English Bar Gold (100 touch per tola)	37 3 6	37 3 3	37 1 9	37 2 6	37 1 9	37 0 6	37 0 6	37 0 0	36 15 0	37 0 6	37 0 6	36 15 9	37 0 3	37 1 3	37 0 9	36 15 9	37 0 6	37 0 3	37 0 6	37 1 6	37 1 9	37 2 3	37 1 9	37 1 9
Sovereigns	23 14 0	23 13 0	23 12 0	23 12 0	23 12 3	23 12	23 11 3	23 11 0	23 10 6	23 10 3	23 10 3	23 10 6	23 10 3	23 11 0	23 11 9	23 10 3	23 11 0	23 10 6	23 10 6	23 10 6	23 11 0	23 11 3	23 10 6	23 10 3
Bar Silver Ready	52 1 0	52 4 0	52 4 0	52 7 0	52 4 0	52 4	52 11 0	52 12 0	52 8 6	52 11 0	52 15 0	52 10 0	52 8 6	52 11 0	52 13 0	52 12 0	53 1 0	53 5 0	53 0 0	52 15 0	52 14 0	52 [illegible] 0	52 10 0	52 2 0
Bar Silver Forward	52 1 0	52 2 0	52 2 0	52 3 0	52 3 0	52 3	52 9 0	52 7 0	52 8 0	52 11 0	52 13 0	52 8 0	52 7 6	52 7 0	52 10 0	52 10 0	52 15 0	53 2 0	52 12 0	52 12 0	52 12 0	52 [illegible] 0	52 7 0	51 14 0
RATES OF DISCOUNT.																								
Bank Rate of Discount on Private Bills, 60 days' Sight	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
Bank Rate of Interest on Demand Loans on Government Securities	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "
Rate of Interest in the Open Market on Government Paper	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "
Money Market	Very firm.	Firm.	Firm.	Firm.	Firm.	Steady.	Steady.	Quiet.	Steady.	Steady.	Steady.	Steady.	Firm.	Firm.	Firm.	Steady.	Easier.	Steady.	Quieter.	Easier.	Easy.	Easy.	Quiet.	Easy.
GOVERNMENT SECURITIES.																								
Three and half per cent. **Three per cent.**	Rs. a. p. 98 5 0	Rs. a. p. 98 2 0 89 0 0	Rs. a. p. 98 3 0	Rs. a. p. 96 6 0	Rs. a. p. 97 8 0	Rs. a. p. 96 [illegible] 0	Rs. a. p. 96 2 0	Rs. a. p. 95 11 0	Rs. a. p. 97 0 0	Rs. a. p. 97 4 0	Rs. a. p. 95 12 0	Rs. a. p. 95 6 0	Rs. a. p. 93 15 0	Rs. a. p. 94 7 0	Rs. a. p. 93 3 0	Rs. a. p. 93 3 0	Rs. a. p. 92 12 0	Rs. a. p. 93 0 0	Rs. a. p. 94 8 0	Rs. a. p. 97 0 0	Rs. a. p. 96 15 0	[illegible] 2 0	Rs. a. p. 96 15 0	Rs. a. p. 95 12 0 ....
Four per cent. 1960/70	111 5 0	111 4 0	111 4 0	110 12 0	110 10 0	110 [illegible] 0	110 8 0	110 7 0	110 10 0	110 11 0	110 13 0	110 2 0	109 9 0	109 9 0	109 6 0	108 15 0	108 10 0	108 6 0	108 14 0	110 0 0	110 14 0	[illegible] 2 0	111 0 0	110 6 0
Five per cent. tax free 1945/55	115 11 0	115 8 0	115 6 0	115 0 0	114 15 0	[illegible]	114 9 0	114 9 0	114 10 0	114 10 0	114 9 0	113 15 0	112 12 0	113 0 0	113 4 0	112 8 0	112 5 0	112 3 0	112 6 0	113 4 0	114 0 0	[illegible] 4 0	114 3 0	113 14 0
Memo. of Government Paper enfaced for London	Nil.	26,000 0 0	17,000 0 0	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	44,700 0 0	47,000 0 0	1,500 0 0	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
Government Paper enfaced from London to Bombay	1,300	14,000 0 0	2,000 0 0	14,300 0 0	Nil.	Nil.	Nil.	Nil.	6,000 0 0	72,800 0 0	Nil.	44,300 0 0	Nil.	Nil.	Nil.	Nil.	32,700 0 0	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
IMPORTS.																								
Piecegoods Market	Steady, little enquiry.	Little enquiry.	Little enquiry.	Steady, little enquiry.	Dull.	Slightly active.	Little enquiry.	Little enquiry.	Dull, no enquiry.	Dull, no enquiry.	Dull, no enquiry.	Little enquiry.	Improving with small but steady enquiry.	Steady, enquiries improving.	Enquiries easing with easing of prices.	Steady with moderate enquiry.	Steady with normal enquiry.	Steady prices maintained.	Dull with steady, enquiry.	Steady with fair enquiry.	Prices firm with better enquiry.	Steady with moderate demand.	Firm with moderate enquiries.	Continues firm, fair enquiry.
Japanese Grey Shirtings, Peach, 36" × 40 yards (per piece)	Rs. a. p. 3 3 0	Rs. a. p. 9 5 0	Rs. a. p. 9 4 0	Rs. a. p. 9 5 0	Rs. a. p. 9 5 0	Rs. a. p. 9 5 0	Rs. a. p. 9 5 0	Rs. a. p. 9 5 0	Rs. a. p. 9 4 0	Rs. a. p. 9 5 0	Rs. a. p. 9 5 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0
" White 800, 34" × 42 yards (")	3 3 0	9 13 0	9 12 6	9 12 0	9 12 0	9 13 0	9 14 0	9 13 0	9 12 6	9 12 6	9 10 0	9 10 0	9 11 0	9 11 0	9 8 0	9 8 0	9 7 0	9 7 0	9 7 0	9 7 0	9 6 0	9 6 0	9 6 0	9 6 0
" Grey Yarn, Five Star 2/42s (per lb.)	0 9 0	0 9 9	0 9 9	0 9 10	0 9 10	0 10 0	0 10 0	0 9 10	0 9 10	0 9 9	0 9 10	0 9 10	0 9 10	0 9 10	0 9 7	0 9 7	0 9 7	0 9 7	0 9 7	0 9 7	0 9 7	0 9 7	0 9 7	0 9 7
Copper Braziers (in Bundles) (per cwt.)	50 0 0	49 0 0	49 8 0	48 8 0	48 10 0	49 4 0	50 12 0	49 1 0	48 12 6	50 12 0	50 4 0	48 8 0	48 6 0	48 8 6	48 10 0	50 8 0	50 8 0	50 8 0	50 10 0	50 0 0	49 0 0	49 8 0	49 8 0	49 0 0
Yellow Metal (")	40 0 0	40 4 0	40 8 0	40 0 0	40 0 0	40 0 0	40 0 0	40 8 0	40 4 0	40 4 0	40 4 0	40 4 0	40 0 0	40 0 0	40 4 0	40 8 0	40 8 0	40 4 0	40 4 0	40 8 0	40 8 0	40 8 0	40 8 0	39 8 0
Continental Basic Steel Bars (")	6 15 0	6 10 0	6 10 0	6 11 0	6 9 0	6 10 0	6 10 0	6 10 0	6 10 0	6 10 0	6 12 0	6 12 0	6 12 0	6 12 0	6 12 0	7 0 0	7 2 0	7 4 0	7 4 0	7 2 0	7 4 0	7 4 0	7 0 0	7 0 0
" Nail Rods (")	7 4 0	7 4 0	7 4 0	7 4 0	7 8 0	7 12 0	7 10 0	7 12 0	7 8 0	7 12 0	7 14 0	8 0 0	7 14 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 2 0	8 4 0	8 8 0	8 4 0	8 8 0	8 2 0
Galvanized Corrugated Sheets (")	11 8 0	11 7 0	11 7 0	11 8 0	11 6 0	11 6 0	11 6 0	11 6 0	11 5 0	11 6 0	11 7 0	11 10 0	11 12 0	11 14 0	12 0 0	12 4 0	12 6 0	12 6 0	12 3 0	12 2 0	12 6 0	12 8 0	12 4 0	12 10 0
Sugar Ordinary Crystals Beet (per cwt. ex. Godown)	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Sugar Java White Granulated T.M.O. quality (per cwt. ex. Godown)	16 0 0 Nom.	16 12 0 Nom.	16 12 0 Nom.	16 0 0 Nom.	16 0 0 Nom.	16 0 0 Nom.	15 10 0 Nom.	15 10 0 Nom.	15 8 6 Nom.	15 8 6 Nom.	15 12 0 Nom.	15 12 0	15 15 0	15 15 0	15 15 0	15 15 0	15 15 0	18 0 0	17 6 0	17 8 0	16 8 0	15 15 0	15 12 0	15 6 0
Sugar Indian (per cwt. ex. Godown)	14 7 0 to 15 8 0	14 10 0 to 15 11 0	14 10 0 to 15 11 0	14 12 0 to 15 12 0	14 12 0 to 15 12 0	14 14 0 to 15 10 0	14 12 0 to 15 8 0	14 12 0 to 15 10 0	14 11 0 to 15 10 0	15 2 0 to 16 2 0	15 1 0 to 16 0 0	14 10 0 to 16 0 0	15 1 0 to 16 0 0	15 1 0 to 15 11 0	15 1 0 to 15 11 0	15 1 0 to 15 11 0	16 0 0 to 16 10 0	17 12 0	16 14 0 to 17 3 0	....	....	....	....	....
COAL.																								
Indian Coal, F.O.R.—																								
Bengal Coal— Deshargarh (Selected Grade) F.O.R. (per ton)	Rs. a. p. 5 4 0	Rs. a. p. 5 4 0	Rs. a. p. 5 4 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 4 12 0	Rs. a. p. 5 0 0	Rs. a. p. 4 12 0	Rs. a. p. 4 12 0	Rs. a. p. 4 12 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 4 12 0	Rs. a. p. 4 12 0	Rs. a. p. 4 12 0	Rs. a. p. 4 12 0	Rs. a. p. 4 8 0	Rs. a. p. 4 8 0	Rs. a. p. 4 8 0	Rs. a. p. 4 8 0	Rs. a. p. 4 8 0
Jehria (Selected Grade) F.O.R. (")	5 6 0	5 4 0	5 4 0	5 0 0	5 0 0	4 12 0	4 12 0	5 0 0	4 12 0	4 12 0	4 12 0	4 12 0	5 0 0	5 0 0	5 0 0	4 12 0	4 12 0	4 12 0	4 12 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0
Jehria (Grade I) F.O.R. (")	4 0 0	4 4 0	4 4 0	4 0 0	4 0 0	3 12 0	3 12 0	3 12 0	3 12 0	3 8 0	3 12 0	3 8 0	3 12 0	3 12 0	3 12 0	3 8 0	3 8 0	3 8 0	3 8 0	3 4 0	3 8 0	3 4 0	3 4 0	3 4 0
Central Provinces (1st class) F.O.R. (")	5 0 0	5 12 0	5 12 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 4 0	5 4 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0
EXPORTS.																								
Cotton.—																								
(Fully pressed, per Candy of 784 lbs.)																								
Cotton Market	Weak.	Steady.	Steady.	Easy.	Weak.	Weak.	Weak.	Weak.	Steady.	Steady.	Weak.	Steady.	Weak.	Steady.	Steady.	Firm.	Steady.	Firm.	Steady.	Steady.	Barely Steady.	Steady.	Barely Steady.	Weak.
M. G. Bengals (Railway terms) F. G.	Rs. a. p. 125 0 0 Spot.	Rs. a. p. 124 0 0 Spot.	Rs. a. p. 124 0 0 Spot.	Rs. a. p. 120 0 0 Spot.	Rs. a. p. 122 0 0 Spot.	Rs. a. p. 119 0 0 Spot.	Rs. a. p. 116 0 0 Spot.	Rs. a. p. 118 0 0 Spot.	Rs. a. p. 119 0 0 Spot.	Rs. a. p. 118 0 0 Spot.	Rs. a. p. 119 0 0 Spot.	Rs. a. p. 117 0 0 Spot.	Rs. a. p. 117 0 0 Spot.	Rs. a. p. 116 0 0 Spot.	Rs. a. p. 116 0 0 Spot.	Rs. a. p. 118 0 0 Spot.	Rs. a. p. 116 0 0 Spot.	Rs. a. p. 120 0 0 Spot.	Rs. a. p. 119 0 0 Spot.	Rs. a. p. 128 0 0 Spot.	Rs. a. p. 127 0 0 Spot.	Rs. a. p. 126 0 0 Spot.	Rs. a. p. 131 0 0 Spot.	Rs. a. p. 128 0 0 Spot.
" " (") F. G.	126 0 0 Dec.-Jan. 1939.	121 0 0 Dec.-Jan. 1939.	122 0 0 Dec.-Jan. 1939.	117 0 0 March 1939.	116 0 0 March 1939.	116 0 0 March 1939.	113 0 0 Mar.	116 0 0 Mar.	117 0 0 Mar.	116 0 0 Mar.	117 0 0 Mar.	115 0 0 Mar.	115 0 0 May.	114 0 0 May.	114 0 0 May.	116 0 0 May.	114 0 0 May.	118 0 0 May.	117 0 0 May.	126 0 0 May.	125 0 0 July.	124 0 0 July.	129 0 0 July-1939.	126 0 0 July-1939.
" " (") F. G.	120 0 0 Mar.	121 0 0 March 1939.	120 0 0 March 1939.	118 0 0 May 1939.	116 0 0 May 1939.	116 0 0 May 1939.	114 0 0 May.	117 0 0 May.	118 0 0 May.	117 0 0 May.	117 0 0 May.	115 0 0 May.	115 0 0 July.	115 0 0 July.	114 0 0 July.	116 0 0 July.	115 0 0 July.	118 0 0 July.	117 0 0 July.	125 0 0 July.	119 0 0 Dec.-Jan. 1940.	119 0 0 Dec.-Jan. 1940.	123 0 0 Dec.-Jan. 1940.	121 0 0 Dec.-Jan. 1940.
" Oomra (Fair staple) Fine	139 0 0 Spot.	150 0 0 Spot.	147 0 0 Spot.	142 0 0 Spot.	142 0 0 Spot.	143 0 0 Spot.	140 0 0 Spot.	141 0 0 Spot.	144 0 0 Spot.	143 0 0 Spot.	144 0 0 Spot.	142 0 0 Spot.	142 0 0 Spot.	142 0 0 Spot.	143 0 0 Spot.	145 0 0 Spot.	144 0 0 Spot.	153 0 0 Spot.	156 0 0 Spot.	169 0 0 Spot.	162 0 0 Spot.	161 0 0 Spot.	167 0 0 Spot.	164 0 0 Spot.
" " (") Fine	142 0 0 Dec.-Jan. 1939.	147 0 0 Dec.-Jan. 1939.	145 0 0 Dec.-Jan. 1939.	140 0 0 March 1939.	139 0 0 March 1939.	140 0 0 March 1939.	137 0 0 Mar.	139 0 0 Mar.	142 0 0 Mar.	141 0 0 Mar.	142 0 0 May.	140 0 0 May.	140 0 0 May.	140 0 0 May.	140 0 0 May.	142 0 0 May.	141 0 0 May.	150 0 0 May.	153 0 0 May.	166 0 0 May.	162 0 0 July.	161 0 0 July.	167 0 0 July.	164 0 0 July.
" " (") Fine	142 0 0	145 0 0 March 1939.	143 0 0 March 1939.	140 0 0 May 1939.	139 0 0 May 1939.	140 0 0 May 1939.	137 0 0 May.	139 0 0 May.	143 0 0 May.	142 0 0 May.	142 0 0 May.	140 0 0 May.	140 0 0 July.	140 0 0 July.	140 0 0 July.	142 0 0 July.	141 0 0 July.	149 0 0 July.	150 0 0 July.	164 0 0 July.	143 0 0 Dec.-Jan. 1940.	143 0 0 Dec.-Jan. 1940.	148 0 0 Dec.-Jan. 1940.	146 0 0 Dec.-Jan. 1940.
" Broach F. G.	161 0 0 Apr.-May 1939.	159 0 0 Apr.-May 1939.	157 0 0 Apr.-May 1939.	153 0 0 Apr.-May 1939.	152 0 0 Apr.-May 1939.	152 0 0 Apr.-May 1939.	149 0 0 Apr.-May	150 0 0 Apr.-May	155 0 0 Spot.	154 0 0 Spot.	155 0 0 Spot.	154 0 0 Spot.	154 0 0 Spot.	153 0 0 Spot.	154 0 0 Spot.	158 0 0 Spot.	156 0 0 Spot.	164 0 0 Spot.	164 0 0 Spot.	174 0 0 Spot.	173 0 0 Spot.	171 0 0 Spot.	178 0 0 Spot.	175 0 0 Spot.
" " F. G.	164 0 0 July-Aug. 1939.	160 0 0 July-Aug. 1939.	158 0 0 July-Aug. 1939.	154 0 0 July-Aug. 1939.	154 0 0 July-Aug. 1939.	154 0 0 July-Aug. 1939.	150 0 0 July-Aug.	151 0 0 July-Aug.	153 0 0 Apr.-May.	153 0 0 Apr.-May.	154 0 0 Apr.-May.	152 0 0 Apr.-May.	152 0 0 Apr.-May.	153 0 0 Apr.-May.	152 0 0 Apr.-May.	155 0 0 Apr.-May.	154 0 0 Apr.-May.	161 0 0 Apr.-May.	161 0 0 Apr.-May.	171 0 0 Apr.-May.	170 0 0 July-Aug.	168 0 0 July-Aug.	175 0 0 July-Aug.	172 0 0 July-Aug.
" " F. G.	....	....	....	....	....	....	....	....	156 0 0 July-Aug.	155 0 0 July-Aug.	154 0 0 July-Aug.	152 0 0 July-Aug.	153 0 0 July-Aug.	153 0 0 July-Aug.	151 0 0 July-Aug.	155 0 0 July-Aug.	154 0 0 July-Aug.	159 0 0 July-Aug.	160 0 0 July-Aug.	169 0 0 July-Aug.	167 0 0 July-Aug.	157 0 0 Apr.-May 1940.	162 0 0 Apr.-May 1940.	160 0 0 Apr.-May 1940.
SEEDS AND WHEAT.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
Cotton seed (per cwt.)	Rs. a. p. 3 2 0	Rs. a. p. 3 1 6	Rs. a. p. 3 2 0	Rs. a. p. 3 2 0	Rs. a. p. 3 1 6	Rs. a. p. 3 1 6	Rs. a. p. 3 1 6	Rs. a. p. 3 1 6	Rs. a. p. 3 3 0	Rs. a. p. 3 4 0	Rs. a. p. 3 5 0	Rs. a. p. 3 5 0	Rs. a. p. 3 8 0	Rs. a. p. 3 6 6	Rs. a. p. 3 8 6	Rs. a. p. 3 10 0	Rs. a. p. 3 8 0	Rs. a. p. 3 9 6	Rs. a. p. 3 11 0	Rs. a. p. 3 12 0	Rs. a. p. 3 11 0	Rs. a. p. 3 11 0	Rs. a. p. 3 11 0
Gingelly seed, White Bold, 85 per cent. (")	7 6 0	7 10 6	7 10 0	7 10 0	7 9 0	7 4 0	7 8 0	7 8 0	7 8 0	7 7 0	7 7 0	7 7 0	7 7 0	7 7 0	7 7 0	7 9 0	7 11 0	7 10 0	7 12 0	7 13 0	7 14 0	7 12 0	7 14 0	7 14 0
Linseed, Bold (")	7 2 0	7 3 0	7 1 6	7 0 0	7 2 0	7 0 0	7 0 3	7 0 3	6 14 3	6 15 6	6 14 6	6 14 6	7 0 3	7 0 3	6 14 6	6 14 6	7 0 3	7 2 6	7 6 6	7 8 8	7 6 0	7 5 0	7 6 0	7 6 0
" Small seed (")	7 0 0	7 0 0	6 14 0	6 13 0	6 15 0	6 12 0	6 14 6	6 13 0	6 12 0	6 12 0	6 12 0	6 12 0	6 12 8	6 10 3	6 11 0	6 10 6	6 11 6	6 13 0	6 15 6	6 15 0	7 0 0	7 1 0	7 1 0	7 1 0
Rape seed, Gujerat, Yellow (")	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
" Brown, Delhi (")	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 14 0 Nom.	6 14 0 Nom.	6 14 0 Nom.	6 14 0 Nom.	6 12 0 Nom.	7 2 0 Nom.	7 2 0 Nom.	7 3 0 Nom.

Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1939.

	Week ending 6th January 1939.	Week ending 13th January 1939.	Week ending 20th January 1939.	Week ending 27th January 1939.	Week ending 3rd February 1939.	Week ending 10th February 1939.	Week ending 16th February 1939.	Week ending 24th February 1939.	Week ending 3rd March 1939.	Week ending 10th March 1939.	Week ending 17th March 1939.
	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
nsfer	1s. 5 31/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 15/16d.	1s. 5 15/16d.	1s. 5 15/16d.
at	1s. 5 31/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 15/16d.	1s. 5 15/16d.	1s. 5 15/16d.
.. ..	....	....	....	....	....	....	....	....	....	....	....
.. ..	....	....	....	....	....	....	....	....	....	....	....
.. ..	....	....	....	....	....	....	....	....	....	....	....
at	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/16d.	1s. 6 3/32d.	1s. 6 1/16d.
.. .. ..	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 3/32d.	1s. 6 3/32d.
.. .. ..	1s. 6 3/32d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 5/32d.	1s. 6 3/16d.	1s. 6 5/32d.
at	1336	1330	1330	1330	1329	1330	1330	1330	1329	1330	1330
.. ..	1365	1345	1355	1345	1350	1345	1350	1345	1345	1345	1345
.. ..	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Yens)	76 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	76 12 0	76 14 0
.. .. ..	37 3 6	37 3 3	37 1 9	37 2 6	37 1 9	37 0	37 0 6	37 0 0	37 0 0	36 15 0	37 0 6
.. .. ..	23 14 0	23 13 0	23 12 0	23 12 0	23 12 3	23 12	23 11 3	23 11 0	23 10 3	23 10 3	23 10 3
.. .. ..	52 15 0	52 4 0	52 4 0	52 7 0	52 4 0	52 4	52 11 0	52 12 0	52 8 6	52 11 0	52 15 0
.. .. ..	52 12 0	52 2 0	52 2 0	52 3 0	52 3 0	52 3	52 9 0	52 7 0	52 8 0	52 11 0	52 13 0
T.											
/s' Sight	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
overnment Securities ..	3	3 ,,	3 ,,	3 ,,	3 ,,	3	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,
rment Paper ..	3	3 ,,	3 ,,	3 ,,	3 ,,	3	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,
.. .. ..	Very firm.	Firm.	Firm.	Firm.	Firm.	Steady.	Steady.	Quiet.	Steady.	Steady.	Steady.
IES.											
.. .. ..	Rs. a. p. 98 5 0	Rs. a. p. 98 2 0	Rs. a. p. 98 3 0	Rs. a. p. 96 6 0	Rs. a. p. 97 8 0	Rs. a. p. 96 0	Rs. a. p. 96 2 0	Rs. a. p. 95 11 0	Rs. a. p. 97 0 0	Rs. a. p. 97 4 0	Rs. a. p. 95 12 0
.. .. ..	....	89 0 0	....	....	....	....	....	....	....	....	....
.. .. ..	111 5 0	111 4 0	111 4 0	110 12 0	110 10 0	110 0 0	110 8 0	110 7 0	110 10 0	110 11 0	110 13 0
.. .. ..	115 11 0	115 8 0	115 6 0	115 0 0	114 15 0	114	114 9 0	114 0 0	114 10 0	114 10 0	114 0 0
n	Nil.	25,000 0 0	17,000 0 0	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
mbay	1,300	14,000 0 0	2,000 0 0	14,300 0 0	Nil.	Nil.	Nil.	Nil.	6,000 0 0	72,800 0 0	Nil.
.. .. ..	Steady, little enquiry.	Little enquiry.	Little enquiry.	Steady, little enquiry.	Dull.	Slightly act ve	Little enquiry.	Little enquiry.	Dull, no enquiry.	Dull, no enquiry.	Dull, no enquiry.
.. .. (per piece)	Rs. a. p. 9 5 0	Rs. a. p. 9 5 0	Rs. a. p. 9 4 0	Rs. a. p. 9 5 0	Rs. a. p. 9 5 0	Rs. a. p. 9 5	Rs. a. p. 9 5 0	Rs. a. p. 9 5 0	Rs. a. p. 9 4 0	Rs. a. p. 9 5 0	Rs. a. p. 9 5 0
.. .. (,,)	9 13 0	9 13 0	9 12 6	9 12 0	9 12 0	9 13	9 14 0	9 13 0	9 13 0	9 12 6	9 10 0
.. .. (per lb.)	0 9 9	0 9 3	0 9 9	0 9 10	0 10 0	0 10	0 9 10	0 9 10	0 9 10	0 9 6	0 9 9
.. .. (per cwt.)	50 4 0	49 8 0	49 8 0	48 8 0	48 10 0	49 4	50 12 0	48 8 0	48 6 0	48 8 0	48 4 0
.. .. (,,)	40 8 0	40 4 0	40 8 0	40 0 0	40 0 0	40 4	40 0 0	40 8 0	40 4 0	40 4 0	40 4 0
.. .. (,,)	6 10 0	6 10 0	6 10 0	6 11 0	6 9 0	6 12	6 12 0	6 10 0	6 8 0	6 10 0	6 12 0
.. .. (,,)	7 5 0	7 4 0	7 4 0	7 4 0	7 8 0	7 12	7 12 0	7 10 0	7 8 0	7 12 0	7 14 0
.. .. (,,)	11 8 0	11 7 0	11 7 0	11 8 0	11 6 0	11 6	11 6 0	11 6 0	11 5 0	11 6 0	11 7 0
ex. Godown)	....	....	....	....	....	....	....	....	....	....	....
ality (per cwt. ex. Godown)	16 12 0 Nom.	16 12 0 Nom.	16 12 0 Nom.	16 0 0 Nom.	16 0 0 Nom.	16 0 0 Nom.	15 10 0 Nom.	15 10 0 Nom.	15 8 6 Nom.	15 8 6 Nom.	15 12 0 Nom.
.. .. ..	14 8 0 to 15 8 0	14 10 0 to 15 11 0	14 10 0 to 15 11 0	14 12 0 to 15 12 0	14 12 0 to 15 12 0	14 14 0 to 15	14 12 0 to 15 8 0	14 12 0 to 15 10 0	14 14 0 to 15 10 0	15 2 0 to 16 2 0	15 1 0 to 16 0 0
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
.. .. (per ton)	5 0 0	5 4 0	5 4 0	5 0 0	5 0 0	5 0 0	4 12 0	5 0 0	4 12 0	4 12 0	4 12 0
.. .. (,,)	5 0 0	5 4 0	5 4 0	5 0 0	5 0 0	4 12 0	4 12 0	5 0 0	4 12 0	4 12 0	4 12 0
.. .. (,,)	4 0 0	4 4 0	4 4 0	4 0 0	4 0 0	3 12 0	3 12 0	3 12 0	3 12 0	3 8 0	3 8 0
.. .. (,,)	5 0 0	5 12 0	5 12 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0
.. .. ..	Weak.	Steady.	Steady.	Easy.	Weak.	Weak.	Weak.	Weak.	Steady.	Steady.	Weak.
.. .. ..F. G.	Rs. a. p. 125 0 0 Spot.	Rs. a. p. 124 0 0 Spot.	Rs. a. p. 124 0 0 Spot.	Rs. a. p. 120 0 0 Spot.	Rs. a. p. 122 0 0 Spot.	Rs. a. p. 119 0 0 Spot.	Rs. a. p. 116 0 0 Spot.	Rs. a. p. 118 0 0 Spot.	Rs. a. p. 129 0 0 Spot.	Rs. a. p. 118 0 0 Spot.	Rs. a. p. 119 0 0 Spot.
.. .. ..F. G.	122 0 0 Dec.	121 0 0 Dec. Jan. 1939.	122 0 0 Dec. Jan. 1939.	117 0 0 March 1939.	116 0 0 March 1939.	116 0 0 March 1939.	113 0 0 Mar.	116 0 0 Mar.	117 0 0 Mar.	116 0 0 Mar.	117 0 0 May.
.. .. F. G.	123 0 0 Mar.	121 0 0 March 1939.	120 0 0 March 1939.	118 0 0 May 1939.	116 0 0 May 1939.	116 0 0 May 1939.	114 0 0 May.	117 0 0 May.	118 0 0 May.	117 0 0 May.	117 0 0 May.
.. .. ..Fine	150 0 0 Spot.	150 0 0 Spot.	147 0 0 Spot.	142 0 0 Spot.	142 0 0 Spot.	143 0 0 Spot.	140 0 0 Spot.	141 0 0 Spot.	144 0 0 Spot.	143 0 0 Spot.	144 0 0 Spot.
.. .. ..Fine	142 0 0 Dec. Jan. 1939.	147 0 0 Dec. Jan. 1939.	145 0 0 Dec. Jan. 1939.	140 0 0 March 1939.	139 0 0 March 1939.	140 0 0 March 1939.	137 0 0 Mar.	139 0 0 Mar.	142 0 0 Mar.	141 0 0 Mar.	142 0 0 May.
.. .. ..Fine	146 0 0 March 1939.	145 0 0 March 1939.	143 0 0 March 1939.	140 0 0 May 1939.	139 0 0 May 1939.	140 0 0 May 1939.	137 0 0 May.	139 0 0 May.	143 0 0 May.	142 0 0 May.	144 0 0 May.
.. .. ..F. G.	161 0 0 Apr. May 1939.	159 0 0 Apr. May 1939.	157 0 0 Apr. May 1939.	153 0 0 Apr. May 1939.	152 0 0 Apr. May 1939.	152 0 0 Apr. May	149 0 0 Apr. May	150 0 0 July Aug.	155 0 0 Apr. May Aug.	154 0 0 Spot.	154 0 0 Spot.
.. .. ..F. G.	162 0 0 July Aug. 1939.	160 0 0 July Aug. 1939.	158 0 0 July Aug. 1939.	154 0 0 July Aug. 1939.	154 0 0 July Aug. 1939.	154 0 0 July Aug. 1939.	150 0 0 July Aug.	151 0 0 July Aug.	156 0 0 July Aug.	155 0 0 July Aug.	154 0 0 July Aug.
.. .. ..F. G.	....	....	....	....	....	....	....	....	....	....	....
T.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
.. .. (per cwt.)	Rs. a. p. 7 6 0	Rs. a. p. 7 10 6	Rs. a. p. 7 10 0	Rs. a. p. 7 7 0	Rs. a. p. 7 10 0	Rs. a. p. 7 9 0	Rs. a. p. 7 8 0	Rs. a. p. 7 8 0	Rs. a. p. 6 14 3	Rs. a. p. 7 7 0	Rs. a. p. 6 15 6
.. .. (,,)	7 7 0	7 7 0	7 6 3	7 8 0	7 7 0	7 4 0	7 2 0	7 0 3	7 0 0	6 12 0	6 12 0
.. .. (,,)	7 1 0	7 0 0	6 14 0	6 13 0	6 15 0	7 0 0	6 14 6	6 13 0	6 12 6	6 12 0	6 12 0
.. .. (,,)	....	....	....	....	....	....	....	....	....	....	....
.. .. (,,)	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.

	Week ending 24th March 1939.	Week ending 31st March 1939.	Week ending 6th April 1939.	Week ending 14th April 1939.	Week ending 21st April 1939.	Week ending 28th April 1939.	Week ending 5th May 1939.	Week ending 12th May 1939.	Week ending 19th May 1939.	Week ending 26th May 1939.	Week ending 2nd June 1939.	Week ending 9th June 1939.	Week ending 16th June 1939.	Week ending 23rd June 1939.	Week ending 30th June 1939.
	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
nsfer	1s. 5 15/16d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 27/32d.	1s. 5 7/8d.	1s. 5 27/32d.	1s. 5 7/8d.	1s. 5 7/8d.	1s. 5 7/8d.	1s. 5 7/8d.
at	1s. 5 15/16d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 29/32d.	1s. 5 27/32d.	1s. 5 7/8d.	1s. 5 27/32d.	1s. 5 7/8d.	1s. 5 7/8d.	1s. 5 7/8d.	1s. 5 7/8d.
.. ..	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
.. ..	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
.. ..	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
at	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 6d.	1s. 6d.	1s. 6d.	1s. 6d.
.. .. ..	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 1/16d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6d.	1s. 6d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.
.. .. ..	1s. 6 5/32d.	1s. 6 5/32d.	1s. 6 5/32d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 1/8d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.
at	1330	1329	1330	1329	1330	1331	1332	1332	1330	1329	1328	1330	1331	1331	1331
.. ..	1345	1345	1345	1343	1345	1351	1352	1345	1348	1343	1342	1344	1345	1344	1345
.. ..	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Yens)	76 14 0	76 14 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 2 0	77 2 0	77 2 0	77 0 0	77 0 0	77 0 0	77 0 0
.. .. ..	36 15 9	37 0 3	37 1 3	37 0 9	36 15 9	37 0 6	37 0 3	37 0 6	37 1 6	37 1 9	37 2 3	37 1 9	37 1 9	37 1 6	37 2 0
.. .. ..	23 10 6	23 10 3	23 11 0	23 11 9	23 10 3	23 11 0	23 10 6	23 10 6	23 10 6	23 11 0	23 11 3	23 10 6	23 10 3	23 9 6	23 9 6
.. .. ..	52 10 0	52 8 6	52 11 0	52 13 0	52 12 0	53 1 0	53 5 0	53 0 0	52 15 0	52 14 0	52 10 0	52 2 0	51 6 0	49 12 0	
.. .. ..	52 8 0	52 7 6	52 7 0	52 10 0	52 10 0	52 15 0	53 2 0	52 12 0	52 12 0	52 12 0	52 10 0	52 7 0	51 14 0	51 2 0	49 4 0
T.															
/s' Sight	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
overnment Securities ..	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,
rment Paper ..	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,
.. .. ..	Steady.	Firm.	Firm.	Firm.	Steady.	Easier.	Steady.	Quieter.	Easier.	Easy.	Easy.	Quiet.	Easy.	Easy.	Easy.
IES.															
.. .. ..	Rs. a. p. 95 6 0	Rs. a. p. 93 15 0	Rs. a. p. 94 7 0	Rs. a. p. 93 3 0	Rs. a. p. 93 3 0	Rs. a. p. 92 12 0	Rs. a. p. 93 0 0	Rs. a. p. 94 8 0	Rs. a. p. 97 0 0	Rs. a. p. 96 15 0	Rs. a. p. 97 2 0	Rs. a. p. 96 15 0	Rs. a. p. 95 12 0	Rs. a. p. 95 15 0	Rs. a. p. 95 0 0
.. .. ..	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
.. .. ..	110 2 0	109 9 0	109 9 0	109 6 0	108 15 0	108 10 0	108 6 0	108 14 0	110 0 0	110 14 0	111 2 0	111 0 0	110 6 0	110 2 0	109 14 0
.. .. ..	113 15 0	113 12 0	113 9 0	113 4 0	112 8 0	112 5 0	112 3 0	112 6 0	113 4 0	114 0 0	113 4 0	114 3 0	113 14 0	113 9 0	113 8 0
n	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
mbay	44,300 0 0	Nil.	44,700 0 0	47,000 0 0	1,500 0 0	Nil.	32,700 0 0	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	4,200 0 0
.. .. ..	Little enquiry.	Improving with small but steady enquiry.	Steady, enquiries increasing.	Enquiries easing with easing of prices.	Steady with moderate enquiry.	Steady with normal enquiry.	Steady prices maintained.	Dull with steady enquiry.	Steady with fair enquiry.	Prices firm with better enquiry.	Steady with moderate demand.	Firm with moderate enquiries.	Continues firm, fair enquiry.	Steady with moderate enquiry.	Steady.
.. .. (per piece)	Rs. a. p. 9 5 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 1 0
.. .. (,,)	9 9 0	9 11 0	9 11 0	9 8 0	9 8 0	9 7 0	9 7 0	9 4 0	9 5 0	9 6 0	9 7 0	9 6 0	9 4 0	9 7 0	9 6 6
.. .. (per lb.)	0 9 10	0 9 10	0 9 10	0 9 9	0 9 6	0 9 7	0 9 7	0 9 7	0 9 9	0 10 0	0 10 0	0 9 9	0 10 0	0 10 0	0 9 9
.. .. (per cwt.)	48 8 0	48 6 0	48 8 0	48 10 0	50 8 0	50 8 0	50 8 0	50 10 0	50 0 0	49 0 0	49 8 0	49 8 0	49 0 0	49 0 0	49 0 0
.. .. (,,)	40 0 0	40 0 0	40 0 0	40 4 0	40 4 0	40 8 0	40 4 0	40 4 0	40 8 0	39 8 0	40 0 0	40 0 0	39 8 0	40 0 0	39 8 0
.. .. (,,)	6 12 0	6 12 0	6 12 0	6 12 0	7 0 0	7 2 0	7 1 0	7 4 0	7 4 0	7 6 0	7 8 0	7 7 0	7 6 0	7 8 0	7 7 0
.. .. (,,)	7 14 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 2 0	8 4 0	8 4 0	8 4 0	8 4 0	8 2 0	8 4 0	8 4 0
.. .. (,,)	11 12 0	11 11 0	12 0 0	12 1 0	12 6 0	12 3 0	12 2 0	12 6 0	12 8 0	12 4 0	12 10 0	13 0 0	13 2 0		
ex. Godown)	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
ality (per cwt. ex. Godown)	15 15 0	15 15 0	15 15 0	15 15 0	15 15 0	16 15 0	18 0 0	17 6 0	17 8 0	16 8 0	15 15 0	15 12 0	15 6 0	15 6 0	15 8 0
.. .. ..	15 1 0 to 16 0 0	15 1 0 to 16 0 0	15 1 0 to 16 0 0	15 1 0 to 15 11 0	15 1 0 to 15 11 0	16 0 0 to 16 10 0	17 12 0	16 14 0 to 17 3 0	....	....	....	....	....	....	....
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
.. .. (per ton)	5 0 0	5 0 0	5 0 0	5 0 0	4 12 0	4 12 6	4 12 0	4 12 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0
.. .. (,,)	5 0 0	5 0 0	5 0 0	5 0 0	4 12 0	4 12 0	4 12 0	4 12 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0
.. .. (,,)	3 12 0	3 12 0	3 12 0	3 12 0	3 8 0	3 8 0	3 8 0	3 8 0	3 4 0	3 8 0	3 4 0	3 4 0	3 4 0	3 4 0	3 8 0
.. .. (,,)	5 8 0	5 8 0	5 4 0	5 4 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0
.. .. ..	Steady.	Steady.	Weak.	Steady.	Firm.	Steady.	Firm.	Steady.	Steady.	Barely Steady.	Steady.	Barely Steady.	Weak.	Steady.	Steady.
.. .. ..F. G.	Rs. a. p. 117 0 0 Spot.	Rs. a. p. 117 0 0 Spot.	Rs. a. p. 116 0 0 Spot.	Rs. a. p. 116 0 0 Spot.	Rs. a. p. 118 0 0 Spot.	Rs. a. p. 116 0 0 Spot.	Rs. a. p. 120 0 0 Spot.	Rs. a. p. 119 0 0 Spot.	Rs. a. p. 128 0 0 Spot.	Rs. a. p. 127 0 0 Spot.	Rs. a. p. 126 0 0 Spot.	Rs. a. p. 131 0 0 Spot.	Rs. a. p. 128 0 0 Spot.	Rs. a. p. 123 0 0 Spot.	Rs. a. p. 124 0 0 Spot.
.. .. ..F. G.	115 0 0 Mar.	115 0 0 May.	114 0 0 May.	114 0 0 May.	116 0 0 May.	114 0 0 May.	118 0 0 May.	117 0 0 May.	126 0 0 May.	125 0 0 July.	124 0 0 July. 1939.	129 0 0 July. 1939.	126 0 0 July. 1939.	121 0 0 July.	122 0 0 July.
.. .. F. G.	115 0 0 May.	115 0 0 July.	115 0 0 July.	114 0 0 July.	116 0 0 July.	115 0 0 July.	117 0 0 July.	118 0 0 July.	125 0 0 July.	119 0 0 Dec. Jan. 1940.	119 0 0 Dec. Jan. 1940.	123 0 0 Dec. Jan. 1940.	121 0 0 Dec. Jan. 1940.	118 0 0 Dec. Jan. 1940.	119 0 0 Dec. Jan. 1940.
.. .. ..Fine	142 0 0 Spot.	142 0 0 Spot.	142 0 0 Spot.	143 0 0 Spot.	145 0 0 Spot.	153 0 0 Spot.	156 0 0 Spot.	169 0 0 Spot.	162 0 0 Spot.	161 0 0 July.	161 0 0 July.	167 0 0 July.	164 0 0 July.	155 0 0 July. Aug.	156 0 0 July.
.. .. ..Fine	140 0 0 May.	140 0 0 May.	140 0 0 July.	140 0 0 July.	142 0 0 July.	141 0 0 July.	149 0 0 July.	150 0 0 July.	164 0 0 July.	143 0 0 Dec. Jan. 1940.	146 0 0 Dec. Jan. 1940.	148 0 0 Dec. Jan. 1940.	146 0 0 Dec. Jan. 1940.	144 0 0 Dec. Jan. 1940.	144 0 0 Dec. Jan. 1940.
.. .. ..F. G.	153 0 0 Spot.	154 0 0 Spot.	155 0 0 Spot.	153 0 0 Spot.	158 0 0 Spot.	156 0 0 Spot.	164 0 0 Spot.	174 0 0 Spot.	173 0 0 Spot.	171 0 0 Spot.	175 0 0 Spot.	178 0 0 Spot.	175 0 0 Spot.	164 0 0 Spot.	163 0 0 Spot.
.. .. ..F. G.	152 0 0 Apr. May. 153 0 0 July. Aug.	153 0 0 Apr. May. 153 0 0 July. Aug.	153 0 0 Apr. May. 153 0 0 July. Aug.	152 0 0 Apr. May. 151 0 0 July. Aug.	155 0 0 Apr. May. 155 0 0 July. Aug.	154 0 0 Apr. May. 154 0 0 July. Aug.	161 0 0 Apr. May. 159 0 0 July. Aug.	161 0 0 Apr. May. 160 0 0 July. Aug.	171 0 0 Apr. May. 169 0 0 July. Aug.	170 0 0 July. Aug. 157 0 0 Apr. May 1940.	168 0 0 July. Aug. 157 0 0 Apr. May 1940.	175 0 0 July. Aug. 162 0 0 Apr. May 1940.	172 0 0 July. Aug. 160 0 0 Apr. May 1940.	162 0 0 July. Aug. 156 0 0 Apr. May 1940.	161 0 0 July. Aug. 157 0 0 Apr. May 1940.
.. .. ..F. G.	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
T.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
.. .. (per cwt.)	Rs. a. p. 3 5 0	Rs. a. p. 3 8 0	Rs. a. p. 3 6 6	Rs. a. p. 3 8 6	Rs. a. p. 3 10 0	Rs. a. p. 3 8 0	Rs. a. p. 3 9 6	Rs. a. p. 3 11 0	Rs. a. p. 3 11 0	Rs. a. p. 3 12 0	Rs. a. p. 3 12 0	Rs. a. p. 3 11 0	Rs. a. p. 3 11 0	Rs. a. p. 3 10 0	Rs. a. p. 3 11 0
.. .. (,,)	7 7 0	7 7 0	7 7 5	7 7 0	7 9 0	7 7 0	7 10 0	7 12 0	7 13 0	7 14 0	7 12 0	7 14 0	7 14 0	7 13 0	7 13 0
.. .. (,,)	7 0 3	7 0 0	6 14 3	6 15 0	6 14 6	6 11 0	7 2 6	7 6 6	7 5 6	7 6 0	7 8 0	7 8 0	7 7 0	7 4 0	7 3 6
.. .. (,,)	6 12 6	6 12 0	6 10 3	6 11 0	6 10 6	6 11 6	6 13 6	6 15 6	6 15 0	7 0 0	7 1 0	7 1 0	7 0 0	7 0 0	6 14 6
.. .. (,,)	....	....	....	....	....	....	....	....	....	....	....	7 2 0 Nom.	....	....	....
.. .. (,,)	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 12 0 Nom.	6 14 0 Nom.	6 14 0 Nom.	6 14 0 Nom.	7 2 0 Nom.	7 0 0 Nom.	7 2 0 ,,	7 2 0 Nom.	7 2 0 Nom.	7 2 0 Nom.

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Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1939—continued.

QUOTATIONS.	Week ending 7th July 1939.	Week ending 14th July 1939.	Week ending 21st July 1939.	Week ending 28th July 1939.	Week ending 4th Aug. 1939.	Week ending 11th Aug. 1939.	Week ending 18th Aug. 1939.	Week ending 25th Aug. 1939.	Week ending 1st Sept. 1939.	Week ending 8th Sept. 1939.	Week ending 15th Sept. 1939.	Week ending 22nd Sept. 1939.	Week ending 29th Sept. 1939.	Week ending 6th Oct. 1939.	Week ending 13th Oct. 1939.	Week ending 20th Oct. 1939.	Week ending 27th Oct. 1939.	Week ending 3rd Nov. 1939.	Week ending 9th Nov. 1939.	Week ending 17th Nov. 1939.	Week ending 24th Nov. 1939.	Week ending 1st Dec. 1939.	Week ending 8th Dec. 1939.	Week ending 15th
EXCHANGE.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Re
On England Bank Bills — Telegraphic Transfer	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 15/16d.	ls. 5
On England Bank Bills — Sight	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 15/16d.	ls. 5
On England Bank Bills — 3 Months'	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	
On England Bank Bills — 4 „	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	
On England Bank Bills — 6 „	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	
First Class Credits — 3 Months' Sight	ls. 6d.	ls. 6d.	ls. 6d.	ls. 6d.	ls. 6 1/32d.	ls. 6 1/32d.	ls. 6 1/32d.	ls. 6 3/16d.	ls. 6 5/16d.	ls. 6 11/32d.	ls. 6 11/32d.	ls. 6 11/32d.	ls. 6 5/16d.	ls. 6 11/32d.	ls. 6 11/32d.	ls. 6 11/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6
First Class Credits — 4 „ „	ls. 6 1/32d.	ls. 6 1/32d.	ls. 6 1/32d.	ls. 6 1/32d.	ls. 6 1/16d.	ls. 6 1/16d.	ls. 6 1/16d.	ls. 6 5/32d.	ls. 6 13/32d.	ls. 6 13/32d.	ls. 6 15/32d.	ls. 6 15/32d.	ls. 6 7/16d.	ls. 6 15/32d.	ls. 6 15/32d.	ls. 6 15/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6
First Class Credits — 6 „ „	ls. 6 1/32d.	ls. 6 1/32d.	ls. 6 1/32d.	ls. 6 1/32d.	ls. 6 3/32d.	ls. 6 5/32d.	ls. 6 5/32d.	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	
French Francs, D/A. — Sight	1,329	1,329	1,329	1,329	1,331	1,331	1,332	1,333	1,330	1,350	1,370	1,355	1,355	1,360	1,355	1,355	1,365	1,345	1,345	1,345	1,350	1,350	1,345	1,340
„ „ „ „ 3 Months' „	1,343	1,343	1,343	1,343	1,345	1,344	1,346	1,360	1,360	1,375	1,400	1,380	1,380	1,390	1,380	1,380	1,380	1,365	1,365	1,365	1,375	1,395	1,365	1,360
On Calcutta Bank Telegraphic Transfer	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1
Mercantile Bills 60 days' Sight (Japan per 100 Yen)	Rs. a. p. 77 0 0	Rs. a. p. 77 0 0	Rs. a. p. 77 0 0	Rs. a. p. 77 0 0	Rs. a. p. 77 0 0	Rs. a. p. 77 0 0	Rs. a. p. 77 0 0	Rs. a. p. 77 0 0	Rs. a. p. 77 0 0	Rs. a. p. 77 0 0	Rs. a. p. 77 0 0	Rs. a. p. 77 0 0	Rs. a. p. 77 0 0	Rs. a. p. 76 12 0	Rs. a. p. 76 12 0	Rs. a. p. 76 12 0	Rs. a. p. 76 12 0	Rs. a. p. 76 12 0	Rs. a. p. 78 4 0	Rs. a. p. 78 8 0	Rs. a. p. 79 2 0	Rs. a. p. 79 10 0	Rs. a. p. 79 2 0	Rs. a. p. 78 12
English Bar Gold (100 Touch per tola)	37 1 9	37 1 9	37 1 9	37 2 3	37 1 9	37 1 9	37 1 9	36 15 9	36 13 0	40 0 0	41 14 0 Nom.	41 5 0	41 4 0	40 15 0	41 7 6	41 7 6	41 8 0	41 12 0	41 13 6	41 14 3	41 14 3	42 2 0	41 15 6	41 15
Sovereigns	23 9 0	23 8 6	23 8 6	23 9 9	23 9 6	23 9 6	23 9 6	23 8 0	24 7 0	26 0 0	26 8 0	27 4 0	27 0 0	26 8 0	26 8 0	26 11 0	26 9 6	26 9 0	26 9 0	26 10 6	26 11 0	26 11 6	26 12 0	26 12
Bar Silver — Ready	47 4 0	45 13 0	45 13 0	44 15 0	45 4 0	46 1 0	46 0 0	50 7 0	49 15 0	59 0 0	60 4 0	63 2 0	60 4 0	56 9 0	60 1 0	58 5 0	59 12 0	60 2 0	61 10 0	61 7 0	61 8 6	64 15 0	60 0 0	62 0
Bar Silver — Forward	47 2 0	44 12 0	44 14 0	44 7 0	44 12 0	45 5 0	45 6 0	50 3 0	49 13 0	58 0 0	59 8 0	63 6 0	60 8 0	57 1 0	60 7 0	58 11 0	60 0 0	60 10 0	62 1 0	61 15 0	61 15 6	66 3 0	61 0 0	62 12
RATES OF DISCOUNT.																								
Bank Rate of Discount on Private Bills, 60 days' Sight	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per c
Bank Rate of Interest on Demand Loans, on Government Securities	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3
Rate of Interest in the Open Market on Government Paper	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3
Money Market	Very easy.	Very easy.	Easy.	Very easy.	Very easy.	Very easy.	Quiet.	Steady.	Easy.	Quiet but steady.	Steady.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Quiet.	Easy.	Quiet.	Steady.	Steady.	Steady.	Ste
GOVERNMENT SECURITIES.																								
Three and a half per cent.	Rs. a. p. 95 10 0	Rs. a. p. 95 13 0	Rs. a. p. 96 6 0	Rs. a. p. 97 2 0	Rs. a. p. 97 8 0	Rs. a. p. 97 9 0	Rs. a. p. 97 4 0	Rs. a. p. 94 13 0	Rs. a. p. 93 15 0	Rs. a. p. 87 12 0 Nom.	Rs. a. p. 86 12 0	Rs. a. p. 81 0 0	Rs. a. p. 81 12 0	Rs. a. p. 84 0 0	Rs. a. p. 84 0 0	Rs. a. p. 84 2 0	Rs. a. p. 86 8 0	Rs. a. p. 85 4 0	Rs. a. p. 87 4 0	Rs. a. p. 87 12 0	Rs. a. p. 87 0 0	Rs. a. p. 87 12 0	Rs. a. p. 87 8 0	Rs
Three per cent.	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	
Four per cent., 1960/70	109 10 0	110 2 0	110 8 0	110 10 0	110 11 0	110 13 0	110 13 0	108 8 0	108 8 0	100 0 0	99 14 0	94 12 0	94 14 0	97 6 0	95 10 0	95 8 0	96 8 0	97 6 0	99 14 0	99 14 0	101 2 0	102 8 0	102 0 0	102
Five per cent., Tax Free, 1945/55	113 8 0	113 10 0	113 10 0	114 1 0	114 1 0	114 0 0	114 0 0	112 4 0	112 0 0	103 0 0 Nom.	104 8 0	104 10 0	105 3 0	106 8 0	107 0 0	107 3 0	107 15 0	108 2 0	109 2 0	108 8 0	110 4 0	110 8 0	110 10 0	110
Memo of Government Paper enfaced for London	Nil.	Nil.	Nil.	Nil.	1,10,000 0 0	Nil.	2,000 0 0	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	8,500 0 0	Nil.	Nil.
Government Paper enfaced from London for Bombay	Nil.	Nil.	Nil.	7,500 0 0	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
IMPORTS.																								
Piecegoods Market	Weak with no enquiry.	Dull.	Dull.	Steady.	Declining.	Steady.	Inactive with small enquiry.	Very quiet with little enquiry.	Active with better enquiry.	Firm with active local enquiry.	Firm, prices unsteady.	Fluctuating, prices unsteady, moderate demand.	Unsteady with small enquiry.	Dull with little enquiry.	Steady with improved enquiry.	Dull with small enquiry.	Steady with fair enquiry.	Firm with moderate enquiry.	Improved with better enquiry.	Firm with better enquiry.	Very firm with better enquiry.	Very firm, prices rising steadily.	Steady.	St mo en
Japanese Grey Shirtings, Peach, 36"×40 yards (per piece)	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 4 0	Rs. a. p. 9 2 0	Rs. a. p. 9 2 0	Rs. a. p. 9 4 0	Rs. a. p. 11 0 0	Rs. a. p. 10 1 0	Rs. a. p. 10 4 0	Rs. a. p. 10 0 0	Rs. a. p. 9 8 0	Rs. a. p. 9 8 0	Rs. a. p. 10 0 0	Rs. a. p. 9 [illegible] 0	Rs. a. p. 10 2 0	Rs. a. p. 10 2 0	Rs. a. p. 10 8 0	Rs. a. p. 10 12 0	Rs. a. p. 11 10 0	Rs. a. p. 11 6 0	Rs. a.
Japanese White Shirtings, 800, 34"×42 yards „	9 0 0	9 4 6	9 3 0	9 1 6	9 1 6	9 0 0	8 14 0	8 14 0	9 8 0	11 8 0	10 10 0	10 15 0	10 8 0	10 8 0	11 0 0	10 12 0	10 3 0	10 11 0	11 0 0	10 14 6	11 5 0	12 2 0	12 0 0	12
Japanese Grey Yarn, Five Stars, 2/42s. (per lb.)	0 0 6	0 9 7	0 9 6	0 9 3	0 9 4½	0 9 4½	0 9 3	0 8 10	0 10 6	0 10 6	0 10 6	0 12 0	0 12 0	0 11 3	0 10 9	0 10 9	0 10 6	0 11 0	0 11 0	0 11 6	0 12 6	0 12	0 13 3	0 13
Copper Braziers in bundles (per cwt.)	49 0 0	49 4 0	49 10 0	49 8 0	49 14 0	49 8 0	49 10 0	50 8 0	52 8 0	68 0 0	68 0 0	69 0 0	69 0 0	67 0 0	68 0 0	71 0 0	70 0 0	70 0 0	76 0 0	78 0 0	90 0 0	94 0 0	100 0 0	98
Yellow Metal in bundles („)	39 0 0	39 12 0	39 8 0	39 8 0	39 14 0	39 12 0	39 14 0	39 14 0	42 8 0	52 0 0	50 0 0	52 0 0	51 0 0	50 0 0	51 0 0	50 0 0	51 0 0	51 0 0	55 0 0	57 0 0	63 0 0	68 0 0	78 0 0	78
Continental Basic Steel Bars („)	7 0 0	7 4 0	7 4 0	7 4 0	7 0 0	7 2 0	7 0 0	7 4 0	8 0 0	12 0 0	12 0 0	12 0 0	11 0 0	10 0 0	9 12 0	10 0 0	10 3 0	10 0 0	10 4 0	10 12 0	11 8 0	12 0 0	12 8 0	12
„ **Nail Rods** („)	8 0 0	8 12 0	8 8 0	8 12 0	8 4 0	8 8 0	8 8 0	8 4 0	10 0 0	13 0 0	14 8 0	15 0 0	14 0 0	12 8 0	13 0 0	13 8 0	13 0 0	13 4 0	13 0 0	14 0 0	13 8 0	14 0 0	15 0 0	14
Galvanized Corrugated Sheets („)	13 0 0	13 4 0	13 4 0	13 4 0	12 8 0	12 4 0	12 0 0	12 6 0	12 12 0	14 0 0	15 0 0	16 8 0	14 8 0	14 8 0	14 4 0	14 6 0	14 10 0	14 8 0	14 12 0	15 4 0	16 8 0	16 8 0	16 12 0	16
Sugar — Ordinary Crystals Beet (per cwt. ex-godown)	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	
Sugar — Java White Granulated T. M. O. Quality („)	15 0 0	14 14 0	14 8 0	14 2 0	14 2 6	11 9 0	14 4 6	14 2 6	14 9 0	16 4 0	16 0 0	16 0 0	15 6 0	15-14 to 16-0	16 8 0	17 8 0	17 9 0	18 0 0	18 12 0	18 8 0	19 0 0	19 11 0	19 4 0	19
Sugar — Indian („)	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	19-4 to 19-8	19-0 to 19-4	19-0
COAL.																								
Indian Coal, F.O.R.— Bengal Coal— Deshargarh (Selected Grade) F.O.R. (per ton)	Rs. a. p. 4 8 0	Rs. a. p. 4 8 0	Rs. a. p. 4 8 0	Rs. a. p. 4 8 0	Rs. a. p. 4 8 0	Rs. a. p. 4 8 0	Rs. a. p. 4 4 0	Rs. a. p. 4 8 0	Rs. a. p. 4 8 0	Rs. a. p. 4 8 0	Rs. a. p. 4 12 0	Rs. a. p. 5 8 0	Rs. a. p. 5 12 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0 0	Rs. a. p. 5 0
Jheria („)	4 4 0	4 4 0	4 8 0	4 8 0	4 4 0	4 4 0	4 4 0	4 4 0	4 8 0	4 8 0	4 12 0	5 4 0	5 12 0	5 12 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0
Jheria (Grade I) F.O.R.	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 4 0	3 4 0	4 4 0	4 8 0	4 12 0	4 8 0	4 12 0	4 0 0	4 0 0	4 0 0	4 0 0	4 0 0	4 0 0	3 12 0	3 12 0	3 8 0	3 8 0	3 8 0	3 8
Central Provinces (1st class) F.O.R. („)	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 12 0	5 12 0	6 8 0	6 8 0	6 8 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0	5 8 0	5 8 0	5 8 0	5 8
EXPORTS.																								
Cotton Exports— (Fully pressed, per candy of 784 lbs.)																								
Cotton Market	Steady.	Weak.	Weak.	Weak.	Steady.	Steady.	Steady.	Weak.	Steady nervous and irregular.	Closed.	Very firm and excited.	Firm.	Weak.	Steady.	Steady.	Quiet.	Steady.	Steady.	Firm.	Quiet.	Firm.	Firm.	Steady.	St
M. G. Bengals (Railway terms) F. G.	Rs. a. p. 123 0 0 Spot.	Rs. a. p. 125 0 0 Spot.	Rs. a. p. 122 0 0 Spot.	Rs. a. p. 123 0 0 Spot.	Rs. a. p. 123 0 0 Spot.	Rs. a. p. 123 0 0 Spot.	Rs. a. p. 124 0 0 Spot.	Rs. a. p. 125 0 0 Spot.	Rs. a. p. 128 0 0 Spot.			....	....	....	....	146 0 0 Spot.	150 0 0 Spot.	153 0 0 Spot.	164 0 0 Spot.	171 0 0 Spot.	189 0 0 Spot.	231 0 0 Spot.	202 0 0 Spot.	232 0
„ „ („) F. G.	121 0 0 July 1939.	123 0 0 July 1939.	121 0 0 July 1939.	....	....	....	....	....	....			....	....	....	....	....	147 0 0 Jan. 1940.	151 0 0 Jan. 1940.	162 0 0 Jan. 1940.	169 0 0 Jan. 1940.	187 0 0 Jan. 1940.	229 0 0 Jan. 1940.	200 0 0 Jan. 1940.	230 0
„ „ („) F. G.	118 0 0 Dec. Jan. 1940.	118 0 0 Dec. Jan. 1940.	115 0 0 Dec. Jan. 1940.	118 0 0 Dec. Jan. 1940.	118 0 0 Dec. Jan. 1940.	118 0 0 Dec. Jan. 1940.	119 0 0 Dec. Jan. 1940.	120 0 0 Dec. Jan. 1940.	123 0 0 Dec. Jan. 1940.		157 0 0 Dec. Jan. 1940.	161 0 0 Dec. Jan. 1940.	148 0 0 Dec. Jan. 1940.	140 0 0 Dec. Jan. 1940.	150 0 0 Dec. Jan. 1940.	145 0 0 Dec. Jan. 1940.	149 0 0 March 1940.	153 0 0 March 1940.	164 0 0 March 1940.	171 0 0 March 1940.	187 0 0 March 1940.	230 0 0 March 1940.	203 0 0 March 1940.	231 0 Ma
„ Oomras (Fair Staple) Fine.	156 0 0 Spot.	160 0 0 Spot.	149 0 0 Spot.	151 0 0 Spot.	153 0 0 Spot.	154 0 0 Spot.	153 0 0 Spot.	155 0 0 Spot.	158 0 0 Spot.			....	....	....	....	....	....	....	....	....	....	272 0 0 Spot.	248 0 0 Spot.	284 0
„ „ („) Fine.	155 0 0 July 1939.	159 0 0 July 1939.	148 0 0 July 1939.	....	....	....	....	....	....			....	....	....	....	....	....	....	....	....	....	268 0 0 Dec. Jan. 1940.	245 0 0 Dec. Jan. 1940.	281 0
„ „ („) Fine.	143 0 0 Dec. Jan. 1940.	143 0 0 Dec. Jan. 1940.	139 0 0 Dec. Jan. 1940.	143 0 0 Dec. Jan. 1940.	145 0 0 Dec. Jan. 1940.	146 0 0 Dec. Jan. 1940.	144 0 0 Dec. Jan. 1940.	145 0 0 Dec. Jan. 1940.	148 0 0 Dec. Jan. 1940.	Closed.	196 0 0 Dec. Jan. 1940.	203 0 0 Dec. Jan. 1940.	187 0 0 Dec. Jan. 1940.	173 0 0 Dec. Jan. 1940.	186 0 0 Dec. Jan. 1940.	182 0 0 Dec. Jan. 1940.	186 0 0 Jan. 1940.	192 0 0 Dec. Jan. 1940.	204 0 0 Dec. Jan. 1940.	210 0 0 Dec. Jan. 1940.	229 0 0 Dec. Jan. 1940.	....	....	....
„ „ („) Fine.	....	....	....	....	....	....	....	....	....			....	....	....	....	181 0 0 March 1940.	185 0 0 March 1940.	190 0 0 March 1940.	204 0 0 March 1940.	210 0 0 March 1940.	230 0 0 March 1940.	271 0 0 March 1940.	248 0 0 March 1940.	285 0 Ma
„ Broach F. G.	161 0 0 Spot.	161 0 0 Spot.	154 0 0 Spot.	155 0 0 Spot.	157 0 0 Spot.	158 0 0 Spot.	159 0 0 Spot.	....	164 0 0 Spot.			....	....	....	....	....	....	....	....	....	....	....	....	....
„ „ F. G.	160 0 0 July-Aug. 1939.	160 0 0 July-Aug. 1939.	153 0 0 July-Aug. 1939.	154 0 0 July-Aug. 1939.	157 0 0 July-Aug. 1939.	158 0 0 July-Aug. 1939.	158 0 0 July-Aug. 1939.	159 0 0 July-Aug. 1939.	....			....	....	....	....	....	....	....	....	....	....	....	....	....
„ „ F. G.	155 0 0 April-May 1940.	153 0 0 April-May 1940.	150 0 0 April-May 1940.	153 0 0 April-May 1940.	154 0 0 April-May 1940.	154 0 0 April-May 1940.	154 0 0 April-May 1940.	155 0 0 April-May 1940.	159 0 0 April-May 1940.		208 0 0 April-May 1940.	218 0 0 April-May 1940.	201 0 0 April-May 1940.	186 0 0 April-May 1940.	199 0 0 April-May 1940.	195 0 0 April-May 1940.	198 0 0 April-May 1940.	203 0 0 April-May 1940.	210 0 0 April-May 1940.	226 0 0 April-May 1940.	247 0 0 April-May 1940.	299 0 0 April-May 1940.	275 0 0 April-May 1940.	318 0
„ „ F. G.	....	....	....	....	....	....	....	....	....			....	....	....	....	....	....	....	....	....	....	....	....	....
SEEDS AND WHEAT.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Re
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a.

Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1939—continued.

	Week ending 7th July 1939.	Week ending 14th July 1939.	Week ending 21st July 1939.	Week ending 28th July 1939.	Week ending 4th Aug. 1939.	Week ending 11th Aug. 1939.	Week ending 18th Aug. 1939.	Week ending 25th Aug. 1939.	Week ending 1st Sept. 1939.	Week ending 8th Sept. 1939.	Week ending 15th Sept. 1939.	Week ending 22nd Sept. 1939.	Week ending 29th Sept. 1939.	Week ending 6th Oct. 1939.	Week ending 13th Oct. 1939.	Week ending 20th Oct. 1939.	Week ending 27th Oct. 1939.	Week ending 3rd Nov. 1939.	Week ending 9th Nov. 1939.	Week ending 17th Nov. 1939.	Week ending 24th Nov. 1939.	Week ending 1st Dec. 1939.	Week ending 8th Dec. 1939.	Week ending 15th Dec. 1939.	Week ending 22nd Dec. 1939.	Week ending 29th Dec. 1939.
	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
Transfer ..	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 15/16d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.
Sight ..	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 7/8d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 29/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 15/16d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.
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,, ..	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Sight ..	ls. 6d.	ls. 6d.	ls. 6d.	ls. 6d.	ls. 6 1/32d.	ls. 6 1/32d.	ls. 6 1/32d.	ls. 6 5/16d.	ls. 6 5/16d.	ls. 6 11/32d.	ls. 6 11/32d.	ls. 6 11/32d.	ls. 6 5/16d.	ls. 6 11/32d.	ls. 6 11/32d.	ls. 6 11/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.
,, ..	ls. 6 1/32d.	ls. 6 1/32d.	ls. 6 1/32d.	ls. 6 1/32d.	ls. 6 1/16d.	ls. 6 1/16d.	ls. 6 1/16d.	ls. 6 13/32d.	ls. 6 13/32d.	ls. 6 15/32d.	ls. 6 15/32d.	ls. 6 15/32d.	ls. 6 7/16d.	ls. 6 15/32d.	ls. 6 15/32d.	ls. 6 15/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.
,, ..	ls. 6 1/8d.	ls. 6 1/8d.	ls. 6 1/8d.	ls. 6 1/8d.	ls. 6 5/32d.	ls. 6 5/32d.	ls. 6 5/32d.	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Sight ..	1,329	1,329	1,329	1,329	1,331	1,331	1,332	1,333	1,330	1,350	1,370	1,355	1,355	1,360	1,355	1,355	1,355	1,345	1,345	1,345	1,350	1,360	1,345	1,340	1,340	1,340
,, ..	1,343	1,343	1,343	1,343	1,345	1,344	1,346	1,360	1,360	1,375	1,400	1,380	1,380	1,390	1,380	1,380	1,380	1,365	1,365	1,365	1,375	1,375	1,365	1,380	1,360	1,360
.. ..	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
.. ..	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	77 0 0	76 12 0	76 12 0	76 12 0	76 12 0	76 12 0	78 4 0	78 8 0	79 2 0	79 10 0	78 12 0	78 12 0	78 6 0	78 6 0
.. ..	37 1 9	37 1 9	37 1 9	37 2 3	37 1 9	37 1 9	37 1 9	36 15 9	38 13 0	40 0 0	41 14 0 Nom.	41 5 0	41 4 0	40 15 0	41 7 0	41 7 6	41 8 0	41 12 0	41 13 6	41 14 3	41 14 3	42 2 0	41 12 6	41 15 6	41 13 0	41 14 3
.. ..	23 9 6	23 8 6	23 8 6	23 9 9	23 9 6	23 9 6	23 9 6	23 8 0	24 7 0	26 0 0	26 8 0	27 4 0	27 0 0	26 8 0	26 8 0	26 11 0	26 9 6	26 9 0	26 9 0	26 10 6	26 11 0	26 11 6	26 12 0	26 12 0	26 12 0	26 12 0
.. ..	47 4 0	45 13 0	45 13 0	44 15 0	45 4 0	46 1 0	46 0 0	50 7 0	49 15 0	59 0 0	60 4 0	63 2 0	60 4 0	56 9 0	60 1 0	58 5 0	59 12 0	60 2 0	61 10 0	61 7 0	61 8 6	64 12 0	60 0 0	62 0 0	61 14 0	61 14 3
.. ..	47 2 0	44 12 0	44 14 0	44 7 0	44 12 0	45 5 0	45 6 0	50 3 0	49 13 0	58 0 0	59 8 0	63 6 0	60 8 0	57 1 0	60 7 0	58 11 0	60 0 0	60 10 0	62 1 0	61 15 0	61 15 6	66 8 0	61 0 0	62 12 0	62 10 0	62 0 9
.. ..	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
Securities ..	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,
.. ..	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,
.. ..	Very easy.	Very easy.	Easy.	Very easy.	Very easy.	Very easy.	Quiet.	Steady.	Easy.	Quiet but steady.	Steady.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Quiet.	Easy.	Quiet.	Steady.	Steady.	Steady.	Steady.	Steady.	Very firm.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
.. ..	95 0 0	95 13 0	96 6 0	97 2 0	97 8 0	97 8 0	97 4 0	94 13 0	93 15 0	87 12 0 Nom.	86 12 0	84 0 0	81 12 0	84 0 0	84 0 0	84 2 0	86 8 0	85 4 0	87 4 0	87 12 0	87 0 0	87 12 0	87 8 0	87 10 0	87 11 0	87 12 0
.. ..	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
.. ..	109 0 0	110 2 0	110 8 0	110 10 0	110 11 0	110 12 0	110 13 0	108 8 0	108 8 0	100 0 0	99 14 0	94 12 0	94 14 0	97 6 0	95 10 0	95 8 0	96 8 0	97 6 0	99 14 0	99 14 0	101 2 0	101 8 0	102 0 0	102 4 0	102 5 0	102 5 0
.. ..	113 5 0	113 10 0	113 15 0	114 1 0	114 1 0	114 0 0	114 0 0	112 4 0	112 0 0	103 0 0 Nom.	104 8 0	104 10 0	105 3 0	106 8 0	107 0 0	107 3 0	107 15 0	108 2 0	109 2 0	109 8 0	110 4 0	110 8 0	110 10 0	110 8 0	110 6 0	110 6 0
.. ..	Nil.	Nil.	Nil.	Nil.	10,000 0 0	Nil.	2,000 0 0	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	8,500 0 0	Nil.	Nil.	Nil.	107,500 0 0
.. ..	Nil.	Nil.	Nil.	7,500 0 0	Nil.	Nil	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
.. ..	Weak with no enquiry.	Dull.	Dull.	Steady.	Declining.	Steady.	Inactive with small enquiry.	Very quiet with little enquiry.	Active with better enquiry.	Firm with active local enquiry.	Firm, prices unsteady.	Fluctuating, prices unsteady, moderate demand.	Unsteady with small enquiry.	Dull with little enquiry.	Steady with improved enquiry.	Dull with small enquiry.	Steady with fair enquiry.	Firm with moderate enquiry.	Improved with better enquiry.	Firm with better enquiry.	Very firm with better enquiry.	Very firm, prices rising steadily.	Steady.	Steady, moderate enquiry.	Quiet with a few enquiries.	Dull, no enquiry.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
(per piece)	9 4 0	9 4 0	9 3 0	9 1 6	9 1 6	9 1 0	8 14 0	8 14 0	9 8 0	11 0 0	10 4 0	10 0 0	9 8 0	10 8 0	11 0 0	10 12 0	10 9 0	10 2 0	10 2 0	10 8 0	10 12 0	11 10 0	11 6 0	11 10 0	11 0 0	11 0 0
(,,)	9 0 0	9 4 6	9 3 0	9 1 6	9 1 6	9 1 0	8 14 0	8 14 0	9 8 0	11 8 0	10 10 0	10 15 0	10 8 0	10 8 0	11 0 0	10 12 0	10 9 0	10 11 0	11 0 0	10 14 6	11 5 0	12 2 0	12 0 0	12 4 0	12 2 0	11 8 0
(per lb.)	0 0 6	0 0 9 7	0 0 9 6	0 0 9 3	0 0 9 4½	0 0 9 4½	0 0 9 3	0 0 8 10	0 0 10 6	0 0 10 6	0 0 10 6	0 0 12 0	0 0 12 0	0 0 11 3	0 0 10 9	0 0 10 9	0 0 10 6	0 0 11 0	0 0 11 0	0 0 11 6	0 0 12 6	0 0 12 6	0 0 13 3	0 0 13 6	0 0 13 6	0 0 13 6
(per cwt.)	49 0 0	49 4 0	49 10 0	49 8 0	49 14 0	49 8 0	49 10 0	50 8 0	52 8 0	68 0 0	68 0 0	66 0 0	69 0 0	67 0 0	68 0 0	71 0 0	70 0 0	70 0 0	76 0 0	78 0 0	90 0 0	94 0 0	100 0 0	98 0 0	96 0 0	95 0 0
(,,)	39 0 0	39 12 0	39 8 0	39 8 0	39 14 0	39 12 0	39 14 0	39 14 0	42 8 0	52 0 0	50 0 0	52 0 0	51 0 0	50 0 0	51 0 0	50 0 0	51 0 0	51 0 0	55 0 0	57 0 0	63 0 0	68 0 0	78 0 0	78 0 0	77 0 0	75 0 0
(,,)	7 0 0	7 4 0	7 4 0	7 4 0	7 0 0	7 2 0	7 0 0	7 4 0	8 0 0	12 0 0	12 0 0	12 0 0	11 0 0	10 0 0	9 12 0	10 0 0	10 0 0	10 0 0	10 4 0	10 12 0	11 8 0	12 0 0	12 8 0	12 0 0	11 8 0	10 8 0
(,,)	8 0 0	8 12 0	8 8 0	8 12 0	8 4 0	8 8 0	8 8 0	8 4 0	10 0 0	13 0 0	14 8 0	15 0 0	14 0 0	12 8 0	13 0 0	13 8 0	13 6 0	13 4 0	13 0 0	14 0 0	13 8 0	14 0 0	15 0 0	14 0 0	13 0 0	12 0 0
(,,) ex-godown)	13 0 0	13 4 0	13 4 0	13 4 0	12 8 0	12 4 0	12 0 0	12 6 0	12 12 0	14 0 0	15 0 0	15 8 0	14 8 0	14 8 0	14 4 0	14 6 0	14 10 0	14 8 0	14 12 0	15 4 0	16 8 0	16 8 0	16 12 0	16 8 0	16 4 0	15 12 0
,,)	15 0 0	14 14 0	14 8 0	14 2 0	14 2 6	14 3 0	14 4 6	14 2 6	14 9 0	16 4 0	16 6 0	16 0 0	15 6 0	15-14 to 16-0	16 8 0	17 8 0	17 2 0	18 0 0	18 12 0	18 8 0	19 0 0	19 11 0	19 4 0	19 14 0	18 14 0	19 7 0
,,)	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	19-4 to 19-8	19-0 to 19-4	19-0 to 19-8	18-6 to 18-12	18-10 to 19-4
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
(per ton)	4 0 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 4 0	4 8 0	4 8 0	4 8 0	4 12 0	5 8 0	5 12 0	5 12 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0
(,,)	4 4 0	4 4 0	4 8 0	4 8 0	4 4 0	4 4 0	4 4 0	4 4 0	4 8 0	4 8 0	4 12 0	5 4 0	5 12	5 12 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0
(,,)	3 0 0	3 0 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	4 4 0	4 8 0	4 12 0	4 8 0	4 0 0	4 0 0	4 0 0	4 0 0	4 0 0	4 0 0	4 0 0	4 0 0	4 0 0	4 8 0	3 8 0	3 8 0	3 8 0	3 8 0
(,,)	5 0 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 12 0	5 12 0	6 8 0	6 8 0	6 8 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0
.. ..	Steady.	Weak.	Weak.	Weak.	Steady.	Steady.	Steady.	Weak.	Steady nervous and irregular.	Closed.	Very firm and excited.	Firm.	Weak.	Steady.	Steady.	Quiet.	Steady.	Steady.	Firm.	Quiet.	Firm.	Firm.	Steady.	Steady.	Firm.	Steady.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
..F. G.	123 0 0 Spot.	125 0 0 Spot.	122 0 0 Spot.	123 0 0 Spot.	123 0 0 Spot.	123 0 0 Spot.	124 0 0 Spot.	125 0 0 Spot.	128 0 0 Spot.			....	....	....	....	....	146 0 0 Spot.	150 0 0 Spot.	153 0 0 Spot.	164 0 0 Spot.	171 0 0 Spot.	189 0 0 Spot.	231 0 0 Spot.	202 0 0 Spot.	232 0 0 Spot.	226 0 0 Spot.	225 0 0 Spot.
..F. G.	121 0 0 July 1939.	123 0 0 July 1939.	121 0 0 July 1939.	....	....	....	....	....	....			....	....	....	....	....	....	147 0 0 Dec.-Jan. 1940.	151 0 0 Dec.-Jan. 1940.	162 0 0 Dec.-Jan. 1940.	169 0 0 Dec.-Jan. 1940.	187 0 0 Dec.-Jan. 1940.	229 0 0 Dec.-Jan. 1940.	200 0 0 Dec.-Jan. 1940.	230 0 0 Dec.-Jan. 1940.	224 0 0 Dec.-Jan. 1940.	223 0 0 Dec.-Jan. 1940.
..F. G.	118 0 0 Dec.-Jan. 1940.	118 0 0 Dec.-Jan. 1940.	115 0 0 Dec.-Jan. 1940.	118 0 0 Dec.-Jan. 1940.	118 0 0 Dec.-Jan. 1940.	118 0 0 Dec.-Jan. 1940.	119 0 0 Dec.-Jan. 1940.	120 0 0 Dec.-Jan. 1940.	123 0 0 Dec.-Jan. 1940.		157 0 0 Dec.-Jan. 1940.	161 0 0 Dec.-Jan. 1940.	148 0 0 Dec.-Jan. 1940.	140 0 0 Dec.-Jan. 1940.	150 0 0 Dec.-Jan. 1940.	145 0 0 Dec.-Jan. 1940.	149 0 0 March 1940.	153 0 0 March 1940.	164 0 0 March 1940.	171 0 0 March 1940.	187 0 0 March 1940.	230 0 0 March 1940.	203 0 0 March 1940.	231 0 0 March 1940.	226 0 0 March 1940.	225 0 0 March 1940.
..Fine	158 0 0 Spot.	160 0 0 Spot.	149 0 0 Spot.	151 0 0 Spot.	153 0 0 Spot.	154 0 0 Spot.	153 0 0 Spot.	155 0 0 Spot.	158 0 0 Spot.		....	....	....	....	....	....	....	....	....	....	....	272 0 0 Spot.	248 0 0 Spot.	284 0 0 Spot.	276 0 0 Spot.	274 0 0 Spot.
..Fine.	155 0 0 July 1939.	159 0 0 July 1939.	148 0 0 July 1939.	....	....	....	....	....	....		....	....	....	....	....	....	....	....	....	....	....	268 0 0 Dec.-Jan. 1940.	245 0 0 Dec.-Jan. 1940.	281 0 0 Dec.-Jan. 1940.	272 0 0 Dec.-Jan. 1940.	270 0 0 Dec.-Jan. 1940.
..Fine.	143 0 0 Dec.-Jan. 1940.	143 0 0 Dec.-Jan. 1940.	139 0 0 Dec.-Jan. 1940.	143 0 0 Dec.-Jan. 1940.	145 0 0 Dec.-Jan. 1940.	146 0 0 Dec.-Jan. 1940.	144 0 0 Dec.-Jan. 1940.	145 0 0 Dec.-Jan. 1940.	148 0 0 Dec.-Jan. 1940.	Closed.	196 0 0 Dec.-Jan. 1940.	203 0 0 Dec.-Jan. 1940.	187 0 0 Dec.-Jan. 1940.	173 0 0 Dec.-Jan. 1940.	186 0 0 Dec.-Jan. 1940.	182 0 0 Dec.-Jan. 1940.	186 0 0 Dec.-Jan. 1940.	192 0 0 Dec.-Jan. 1940.	204 0 0 Dec.-Jan. 1940.	210 0 0 Dec.-Jan. 1940.	229 0 0 Dec.-Jan. 1940.	....	....	....	....	....
..Fine.	....	....	....	....	....	....	....	....	....		....	....	....	....	....	181 0 0 March 1940.	185 0 0 March 1940.	190 0 0 March 1940.	204 0 0 March 1940.	210 0 0 March 1940.	230 0 0 March 1940.	271 0 0 March 1940.	248 0 0 March 1940.	285 0 0 March 1940.	275 0 0 March 1940.	274 0 0 March 1940.
..F. G.	161 0 0 Spot.	161 0 0 Spot.	154 0 0 Spot.	155 0 0 Spot.	157 0 0 Spot.	158 0 0 Spot.	159 0 0 Spot.	....	164 0 0 Spot.		....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
..F. G.	160 0 0 July-Aug. 1939.	160 0 0 July-Aug. 1939.	153 0 0 July-Aug. 1939.	154 0 0 July-Aug. 1939.	157 0 0 July-Aug. 1939.	158 0 0 July-Aug. 1939.	158 0 0 July-Aug. 1939.	159 0 0 July-Aug. 1939.	....		....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
..F. G.	155 0 0 April-May 1940.	153 0 0 April-May 1940.	150 0 0 April-May 1940.	153 0 0 April-May 1940.	154 0 0 April-May 1940.	154 0 0 April-May 1940.	154 0 0 April-May 1940.	155 0 0 April-May 1940.	159 0 0 April-May 1940.		208 0 0 April-May 1940.	218 0 0 April-May 1940.	201 0 0 April-May 1940.	186 0 0 April-May 1940.	199 0 0 April-May 1940.	195 0 0 April-May 1940.	198 0 0 April-May 1940.	203 0 0 April-May 1940.	219 0 0 April-May 1940.	226 0 0 April-May 1940.	247 0 0 April-May 1940.	299 0 0 April-May 1940.	275 0 0 April-May 1940.	318 0 0 April-May 1940.	309 0 0 April-May 1940.	307 0 0 April-May 1940.
..F. G.	....	....	....	....	....	....	....	....	....		....	....	....	....	....	....	....	....	....	....	....	....	....	....	317 0 0 July-Aug. 1940.	314 0 0 July-Aug. 1940.
	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Payment ..	3 14 0	3 14 0	3 12 0	3 14 0	3 12 0	3 12 0	3 9 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0	3 7 0

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